



STATE OF DELAWARE
THE PUBLIC SERVICE COMMISSION
CANNON BUILDING
861 SILVER LAKE BLVD., SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7529

TELECOPIER: (302) 739-4849

FILING COVER SHEET

1. NAME OF APPLICANT: Delmarva Power & Light Company

2. TYPE OF FILING: RATE CHANGE ☒
FUEL ADJUSTMENT ☐
ADMINISTRATIVE ☐
CPCN ☐
NEW SERVICE OFFERING ☐
OTHER - DESCRIBE Annual Filing

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?

BASIC _____ COMPETITIVE _____ DISCRETIONARY _____

3. PROPOSED EFFECTIVE DATE: November 1, 2016

IS EXPEDITED TREATMENT REQUESTED? YES ☐ NO ☒

4. SHORT SUMMARY OF FILING: Annual Gas Cost Rate Filing

5. DOES THIS FILING RELATE TO OTHER DOCKETS: YES ☐ NO ☒

IF YES, LIST DOCKET(S) NO(S): _____

6. IS PUBLIC NOTICE REQUIRED? YES ☒ NO ☐
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON: NAME: Pamela J. Scott
TITLE: Assistant General Counsel
PHONE: (302) 429-3143
FAX: (302) 429-3801
EMAIL: pjscott@pepcoholdings.com
WEBSITE (IF APPLICABLE) _____

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?
YES ☒ NO ☐ IF YES, WHEN? August 26, 2016

9. FILING FEE ENCLOSED: AMOUNT: \$ 100.00

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

Pamela J. Scott
Assistant General Counsel

302.429.3143 – Telephone
302.429.3801 – Facsimile

U.S. Mail
92DC42
PO Box 6066
Newark, DE 19714-6066

pjscott@pepcoholdings.com

All other deliveries:
92DC42
500 N. Wakefield Drive
Newark, DE 19702

August 26, 2016

FILED VIA DELAFILE

Donna Nickerson, Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

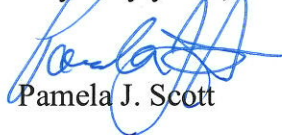
Re: Application for Approval of the 2016-17 Gas Cost Rate

Dear Secretary Nickerson:

Enclosed for filing is Delmarva Power & Light Company's ("Delmarva") Application for Approval of the 2016-17 Gas Cost Rate. Included with the Application is the filing fee of \$100.00. Delmarva is filing two (2) versions of this Application, a Public Version and a Confidential Version. This is the Public Version of the Application.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Very truly yours,


Pamela J. Scott

Enclosures

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC Docket No. 16-_____
TO ITS GAS COST RATES)
(Filed August 26, 2016))

Delmarva Power & Light Company (“Delmarva,” or the “Company”) makes the following application, pursuant to 26 Del. C. §§ 303(b) and 304, for approval of modifications to its gas cost rates. In support of its application, Delmarva states:

1. The Applicant is Delmarva Power & Light Company, 500 N. Wakefield Drive, Newark, Delaware, 19702. All communications concerning this Application should be sent to Diane Ruth at the above address, and to Counsel for the Applicant identified in Paragraph 2.

2. Counsel for Delmarva is Pamela J. Scott, Delmarva Power & Light Company, 500 North Wakefield Drive, Newark, DE 19702.

Delmarva makes the following requests:

The approval of its proposed changes to its Gas Cost Rates as follows:

	<u>Present</u>		<u>Proposed</u>	
<u>Rate Schedules</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
RG, GG and GL	N/A	39.467¢/ccf	N/A	44.995¢/ccf
Electing MVG and LVG	\$1.7022/Mcf of Billing MDQ	Varies	\$ 1.7148/Mcf	Varies
Standby Service	\$1.7022/Mcf of Standby MDQ	N/A	\$1.7148/Mcf	N/A

3. The approval of the proposed Balancing Charge and Pressure Support Fee for the November 2016-October 2017 GCR period.

4. Delmarva's proposed GCR changes become effective for usage on and after November 1, 2016, with proration.

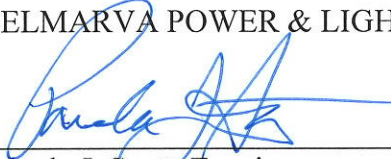
5. Delmarva's proposed modifications its Gas Tariff become effective on and after November 1, 2016.

WHEREFORE, Delmarva requests that the Commission issue an order directing the Company to publish the attached public notice, and, after hearing, approve the proposed gas cost rates and other requests described herein.

Respectfully submitted,

DELMARVA POWER & LIGHT COMPANY

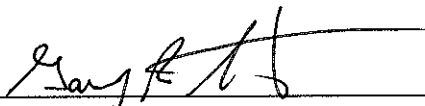
By:


 Pamela J. Scott, Esquire
 Delmarva Power & Light Company
 500 North Wakefield Drive
 Newark, DE 19702
 (302) 429-3143
 pjscott@pepcoholdings.com

DATED: August 26, 2016

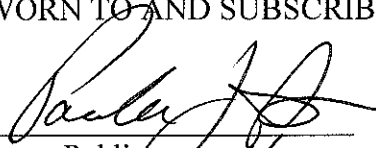
STATE OF DELAWARE)
) SS.
COUNTY OF NEW CASTLE)

On this 24th day of August, 2016, personally came before me, the subscriber, a Notary Public in and for the State and County aforesaid Gary R Stockbridge, Vice President of Delmarva Power & Light Company, a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of such corporation, that the signature of such Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.



Gary R Stockbridge
Vice President

SWORN TO AND SUBSCRIBED before me this 24th day of August 2016.



Notary Public Attorney at Law (DE) #2413
My Commission expires: N/A

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) **PSC Docket No. 16-____**
TO ITS GAS COST RATES)
(Filed August 26, 2016)

COMMISSIONERS:

1. Pursuant to 26 Del. C. §§ 304 and 306(a)(2), the Commission determines that the proposed changes to Delmarva's GCR rates and the accompanying proposed tariff revisions as set forth in the Application as permitted to become effective for natural gas usage on or after November 1, 2016, with proration and subject to refund, pending a final decision of the Commission:

	<u>Present</u>		<u>Proposed</u>	
<u>Rate Schedules</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
RG, GG and GL	N/A	39.467¢/ccf	N/A	44.995¢/ccf
Electing MVG and LVG	\$1.7022/Mcf of Billing MDQ	Varies	\$ 1.7148/Mcf	Varies
Standby Service	\$1.7022/Mcf of Standby MDQ	N/A	\$1.7148/Mcf	N/A

2. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on _____, at ____ p.m. at 861 Silver Lake Boulevard, 1st Floor Hearing Room, Cannon Building, Dover, DE 19904.

3. As outlined in the form of Public Notice, interested persons or entities are afforded the opportunity to file written comments or objections to the proposed changes in the GCR. Such written comments or objections must be filed ***on or before*** _____, **2016**. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 2016.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, the Commission designates Hearing Examiner _____ for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. Delmarva Power & Light Company shall provide public notice of the filing of its Application, this Order and the date of the evidentiary hearing by publishing notices in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal newspaper in two-column format, outlined in black, on _____, 2016. Proof of such publication is to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearing concerning this matter.

6. The deadline for intervention pursuant to 26 *Del. Admin C.* §1001-2.9 shall be _____, 2016. Petitions for intervention that are not received by the Commission **on or before** _____, **2016**, will not be granted unless good cause is shown. In addition, any intervenor wishing to oppose the Application must e- file written prefiled testimony with the Commission pursuant to the Rules of Practice and Procedure of the Commission (26 *Del. Admin C.* §1001-6.4), on or before _____, 2016. Copies of such testimony must be served on the following persons:

Robert Willard, Esquire Deputy Attorney General Public Service Commission 820 N. French Street Wilmington, DE 19801 (302) 577- robert.willard@state.de.us	Regina A. Iorri, Esquire Deputy Attorney General Division of the Public Advocate 820 N. French Street 6th Floor Wilmington, DE 19801 (302) 577-8159 regina.iorri@state.de.us
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<p>Pamela J. Scott, Esquire Delmarva Power & Light Assistant General Counsel 500 North Wakefield Drive Newark, DE 19702-5440 (Private Mail Service) or P. O. Box 6066 Mail Stop: 92DC42 Newark, DE 19714-6066 (302) 429-3143 pjscott@pepcoholdings.com</p>	<p>Malika Davis Delaware Public Service Commission 861 Silver Lake Blvd., Suite 100 Dover, DE 19904 (302) 736-7521 malika.davis@state.de.us</p>
<p>Connie McDowell Delaware Public Service Commission 861 Silver Lake Blvd., Suite 100 Dover, DE 19904 (302) 736-7535 connie.mcdowell@state.de.us</p>	<p>Diane Ruth Delmarva Power & Light Company Regulatory Compliance Pricing 500 N. Wakefield Drive Newark, DE 19714 (Private Mail Service) or P.O. Box 6066 Mail Stop: Newark, DE 19714- (302)</p>
<p>Leonard J. Beck Delmarva Power & Light Company Regulatory Affairs 500 N. Wakefield Drive Newark, DE 19702 (Private Mail Service) or P.O. Box Mail Stop: Newark, DE 19714- (302) Len.beck@pepcoholdings.com</p>	<p>David Bonar Public Advocate 29 South State Street Dover, DE 19901 (302) 241-2550 david.bonar@state.de.us</p>

Any written pre-filed testimony sent by an intervenor that is not received by the Commission *on or before* _____, **2016** shall not be considered.

7. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* §114(b)(1).

8. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

CHAIR

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY

EXHIBIT "A"

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC Docket No. 16-____
TO ITS GAS COST RATES)
(Filed August 26, 2016))**

PUBLIC NOTICE

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT
COMPANY, AND OTHER INTERESTED PERSONS**

The Delaware Public Service Commission (the "Commission") will conduct a public comment session and evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

Date & Time

Location

**Hearing Room
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Dover, DE 19904**

DP&L's Gas Cost Rate, PSC Docket No. 16-_____

Pursuant to 26 Del. C. §§ 303 and 304, Delmarva Power & Light Company ("Delmarva" or the "Company") has filed an Application with the Delaware Public Service Commission ("Commission"). If the Company's Application is approved by the Commission as filed, the average residential gas space heating customer using 120 ccf of gas would see an increase in their monthly bill of \$6.61 during the winter heating season. The Application requests a reduction in Gas Cost Rates as follows:

	<u>Present</u>		<u>Proposed</u>	
	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
<u>Rate Schedules</u>				
RG, GG and GL	N/A	39.467¢/ccf	N/A	44.995¢/ccf
Electing MVG and LVG	\$1.7022/Mcf of Billing MDQ	Varies	\$ 1.7148/Mcf	Varies
Standby Service	\$1.7022/Mcf of Standby MDQ	N/A	\$1.7148/Mcf	N/A

In addition, the Application requests approval of the balancing charge for the November 2016-October 2017 GCR period or until such time as a new rate design has been approved. The Commission has permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2016, subject to refund after evidentiary hearings and further proceedings. The Commission's action on this Application will be based upon the evidence presented at evidentiary hearings to be scheduled at a later date.

By Order No. _____ dated _____, 2016, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2016, with proration, subject to modification and refund after an evidentiary hearing.

On _____, 2016, starting at 1:00 p.m., the Commission will consider whether to grant Delmarva's Application. The evidentiary hearing will be held at the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. The Commission will render a decision based upon the evidence presented to it at this evidentiary hearing.

Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the GCR rate. Such written comments or objections must be filed *on or before* _____, **2016**. Please send these written comments to the Commission's address listed above and note the "attention to" as "PSC Docket No. 16-_____." Written comments may also be submitted electronically at <https://delafile@state.delaware.gov/>.

In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 2016.

If you wish to formally participate as a party in this docket, with the right to submit evidence and to be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in this docket in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 *Del. Admin C.* §1001-2.9) *on or before* _____, 2016. All such petitions should be e-filed according to the Rules. Petitions for intervention that are not received by the Commission *on or before* _____, 2016, will not be granted unless good cause is shown. Petitions received thereafter will not be considered except for good cause shown. If intervention status is granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission *on or before* _____, 2016. Any submissions sent by an intervenor that are not received by the Commission *on or before* _____, 2016 will not be considered. Such written submissions shall also be served on the persons identified in Order No. ____ in this docket dated _____.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website at <https://delafile@state.de.gov>. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@state.de.us to arrange a time for your review. You may also review copies of the Company's Application and supporting documents at the office of the Division of the Public Advocate located at 29 South State Street, Dover, DE 19901. Please call (302) 241-2545 to arrange for a time to review the documents at that location.

If you wish to request copies of the documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail/php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at <https://delafile.delaware.gov>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us; include "PSC Docket No. 16-_____" as the subject.

Tariff Changes

RULES AND REGULATIONS
SECTION XX - GAS COST RATE CLAUSE - (Continued)

- (4) The commodity cost of gas, adjusted for unaccounted - for gas, for Delmarva's electric generation and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less
- (5) The commodity cost of gas, valued at the system WACCOG and adjusted for unaccounted-for gas, provided to the non-firm Customers served under the Flexibly Priced Gas Sales Service; less
- (6) A credit for company use gas, valued at the system WACCOG adjusted for unaccounted-for gas; plus
- (7) An adjustment for under-collections or over-collections of commodity gas costs as provided for in this Section; plus
- (8) Interest on under-collections or over-collections of commodity gas costs as provided for in this Section.

The Annual CCR shall be calculated by dividing the above commodity cost by the projected sales to all Customers served under the Annual CCR.

C. Demand Cost Rate ("DCR")

The demand gas cost recovery component will be recovered from all firm gas sales customers and is derived as follows:

$$\text{Total Demand Component} = \text{FC} - \text{ADR} - \text{FPS} - \text{ISS} - \text{CROS} - \text{IT} - \text{ONF} + \text{PP} - \text{SA} - \text{BC} - \text{PSF} - \text{TC}$$

Where: FC = Total fixed gas supply costs

ADR = 100% of contributions from electric generation toward fixed costs

FPS = 80% of the margins from "Flexibly Priced Service" gas sales

ISS = 80% of the margins from interruptible storage services *

CROS = 100% of the first \$3.0 Million in margins attributable to combined capacity release transactions and off system sales, with margins in excess of \$3.0 Million credited 80% to the GCR

IT = 80% of the margins from interruptible transportation services *

ONF = 80% of the margins of other non-firm services not otherwise classified and provided under contracts executed on or after April 1, 1996 *

PP = Prior period over or under-recovery of the demand component, including Interest

SA = 100% of an amount equal to \$0.15 per Mcf multiplied by the annual average throughput for a customer who is a firm sales service customer of Delmarva and who switches to delivery service and begins receiving gas supply from a Delmarva affiliate

BC = 100% of Balancing Charges

PSF = 100% of Pressure Support Fees

TC = 100% of Transition Charge

* Excludes non-gas revenues from Customers that were firm Customers as of March 31, 1996, until the effective date of the next base rate case.

Other Definitions:

Design Day Load is as projected by the Company, subject to modification by the Commission. Total Contract MDQ will be used for the MVG and LVG classes.

**RATES AND CHARGES
CORE SALES RATE LEAF**

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.85	per month
Delivery Charge	\$0.52212	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.41896	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.44995	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$35.73	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF
Over 750 CCF	\$0.32397	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.44995	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.34	per gas light
Gas Cost Rate (GCR)	\$ 6.75	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$700.98	per month
Demand Charge	\$ 16.611	per MCF of Billing MDQ
Delivery Charge 2/	\$0.53300	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Cost Rate (GCR)	\$4.4995	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,050.48	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12815	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Demand Cost Rate(DCR)	\$1.7148	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

Order No.

Filed: August 26, 2016

Docket No.

Effective with Usage On and After November 1, 2016

Proposed

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>General Volume Firm Transportation</u>		
Service ("GVFT")		
Customer Charge	\$124.49	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF Redelivered
Over 750 CCF	\$0.32397	per CCF Redelivered
Pressure Support Fee	\$0.01944	per CCF Redelivered
Balancing Fee Non-Base Rate	\$0.05897	per CCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.00128	per CCF
<u>Medium Volume Firm Transportation</u>		
Service ("MVFT")		
Customer Charge	\$779.39	per month
Demand Charge	\$16.611	per MCF of Billing MDQ
Delivery Charge	\$0.53300	per MCF Redelivered
Pressure Support Fee	\$0.1944	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.5897	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Large Volume Firm Transportation</u>		
Service ("LVFT")		
Customer Charge	\$1,128.89	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge	\$ 0.12815	per MCF Redelivered
Pressure Support Fee	\$ 0.1944	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.5897	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Standby Service ("SBS")</u>		
Demand Charge Non-Base Rate	\$1.7148	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
NON-CORE RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>MIN RATE</u>	<u>MAX RATE</u>	<u>NON-BASE RATE</u>	<u>BASIS</u>
<u>Flexibly Priced Gas Service (“FPS”)</u>					
Commodity Charge 1/ No Notice Swing Charge	\$ 0.15000	Varies	N/A		per MCF per MCF Redelivered
<u>Medium Volume Interruptible Transportation Service (“MVIT”)</u>					
Customer Charge	\$779.39				per month
Delivery Charge (2)					
Option 1	\$ 1.30000				per MCF Redelivered
Option 2		\$0.01	\$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0.5897	per MCF of Imbalance Volumes
<u>Large Volume Interruptible Transportation Service (“LVIT”)</u>					
Customer Charge	\$1,128.89				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	\$ 1.30000				per MCF Redelivered
Over 5,000 MCF	\$ 0.36000				per MCF Redelivered
Option 2		\$0.01	\$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0.5897	per MCF of Imbalance Volumes
<u>Quasi-Firm Transportation Service (“QFT”)</u>					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				\$0.5897	per MCF of Imbalance Volumes
<u>Public Utilities Tax</u>					
	4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.				
<u>City of Wilmington</u>					
<u>Local Franchise Tax</u>				2.00%	Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

Order No.
Docket No.

Filed: August 26, 2016
Effective with Usage On and After November 1, 2016

Proposed

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. E.S.T. and E.D.S.T.

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by two point four percent (2.4%) for losses and unaccounted-for gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of fuel and losses, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of fuel and losses, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., plus the applicable transportation rate and all taxes and surcharges, unless Delmarva notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to one ninety percent (90%) of the lower of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., unless Delmarva notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee shall be applicable to all Transportation Services and assessed on the customer's total monthly imbalance volumes (either excess deliveries or excess takes).

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of fuel and losses, shall be considered unauthorized overrun volumes.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

U. Transition Charge (Continued)

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a transition charge or refund shall be paid by or returned to the Customer. Such transition charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition refunds shall be paid in a lump sum; transition charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

V. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under these Transportation Service Terms and Conditions.

W. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

X. Pressure Support Fee

The Pressure Support Fee is assessed on throughput of tariffed Customers who benefit from pressure support services. Customers classified as Sales (GCR), Firm Transportation, and LVG-QFCP-RC are allocated these costs in proportion to their respective throughput.

SERVICE CLASSIFICATION "GVFT"

GENERAL VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of less than 2,000 Mcf, who has a Billing Maximum Daily Quantity (Billing MDQ) of less than 500 MCF and who has an annual consumption of greater than 5,000 Mcf annually. Any Customer whose monthly use equals or exceeds 2,000 MCF and/or whose Maximum Daily Quantity equals or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "MVFT" or "LVFT", as applicable. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the GVFT Customer Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing charges, pressure support fees, taxes and any surcharges that may apply

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Charges, Pressure Support Fees, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "MVFT"

MEDIUM VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity ("MDQ") of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVFT". The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the MVFT Customer Charge, the Billing MDQ during a month times the MVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing charges, pressure support fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Charges, Pressure Support Fees, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "LVFT"

LARGE VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Maximum Daily Quantity ("MDQ") of 500 MCF or greater. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the LVFT Customer Charge, the Billing MDQ during a month times the LVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing charges, pressure support fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Charges, Pressure Support Fees, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "QFT"
QUASI-FIRM TRANSPORTATION SERVICE

A. Availability

Quasi-Firm Transportation Service is available hereunder to any Customer who has a Minimum Monthly Use of more than 2,000 Mcf and who owns and delivers gas to the Company at an acceptable point of connection, for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation service provided under the Service Classification shall be as stated in the QFT contract, which contract shall specify that the service is firm for no more than 265 days per year and shall also specify the permissible number of days of interruption.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the applicable QFT Customer Charge, the Billing MDQ times the QFT Demand Charge as specified in the contract, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 39. In addition, Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-outs, balancing charges, pressure support fees, taxes and surcharges. The maximum QFT Demand Charge for each Customer shall be the applicable MVFT or LVFT demand charge.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Charges, Pressure Support Fees, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

Delmarva Power & Light Company d/b/a Conectiv Power Delivery
P.S.C. Del. No. 5 – Gas

–Revision: ~~Third~~Fourth
Revised: ~~October 31, 2011~~August 26, 2016

RULES AND REGULATIONS
SECTION XX - GAS COST RATE CLAUSE - (Continued)

- (4) The commodity cost of gas, adjusted for unaccounted - for gas, for Delmarva's electric generation and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less
- (5) The commodity cost of gas, valued at the system WACCOG and adjusted for unaccounted-for gas, provided to the non-firm Customers served under the Flexibly Priced Gas Sales Service; less
- (6) A credit for company use gas, valued at the system WACCOG adjusted for unaccounted-for gas; plus
- (7) An adjustment for under-collections or over-collections of commodity gas costs as provided for in this Section; plus
- (8) Interest on under-collections or over-collections of commodity gas costs as provided for in this Section.

The Annual CCR shall be calculated by dividing the above commodity cost by the projected sales to all Customers served under the Annual CCR.

C. Demand Cost Rate ("DCR")

The demand gas cost recovery component will be recovered from all firm gas sales customers and is derived as follows:

$$\text{Total Demand Component} = \text{FC} - \text{ADR} - \text{FPS} - \text{ISS} - \text{CROS} - \text{IT} - \text{ONF} + \text{PP} - \text{SA} - \text{BC} - \text{PSF} - \text{TC}$$

Where: FC = Total fixed gas supply costs

ADR = 100% of contributions from electric generation toward fixed costs

FPS = 80% of the margins from "Flexibly Priced Service" gas sales

ISS = 80% of the margins from interruptible storage services *

CROS = 100% of the first \$3.0 Million in margins attributable to combined capacity release transactions and off system sales, with margins in excess of \$3.0 Million credited 80% to the GCR

IT = 80% of the margins from interruptible transportation services *

ONF = 80% of the margins of other non-firm services not otherwise classified and provided under contracts executed on or after April 1, 1996 *

PP = Prior period over or under-recovery of the demand component, including Interest

SA = 100% of an amount equal to \$0.15 per Mcf multiplied by the annual average throughput for a customer who is a firm sales service customer of Delmarva and who switches to delivery service and begins receiving gas supply from a Delmarva affiliate

BC = 100% of Balancing Charges

PSF = 100% of Pressure Support Fees

TC = 100% of Transition Charge

* Excludes non-gas revenues from Customers that were firm Customers as of March 31, 1996, until the effective date of the next base rate case.

Other Definitions:

Design Day Load is as projected by the Company, subject to modification by the Commission. Total Contract MDQ will be used for the MVG and LVG classes.

Order No. ~~7658~~

Filed: ~~October 31, 2011~~August 26, 2016

Docket No. ~~08-266F~~

Effective Date: November 1, ~~2009~~2016

~~Filed in Compliance with Order No. 7658 in Docket No. 08-266F~~

Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Leaf No.: 37
Revision: Sixty-fourthfifth
Revised: July 14 August 26, 2016

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RATES AND CHARGES
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.85	per month
Delivery Charge	\$0.52212	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.41896	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.3946744995	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$35.73	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF
Over 750 CCF	\$0.32397	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.3946744995	per CCF
<u>Gas Lighting Sales Service ("GL")</u> (Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.34	per gas light
Gas Cost Rate (GCR)	\$ 5.926.75	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$700.98	per month
Demand Charge	\$ 16.611	per MCF of Billing MDQ
Delivery Charge 2/	\$0.53300	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Cost Rate (GCR)	\$3.94674.4995	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,050.48	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12815	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Demand Cost Rate (DCR)	\$1.70227148	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

Order No. 8899 Filed: July 14 August 26, 2016
Docket No. 16-0650 Effective with Usage On and After July 16 November 1, 2016

Filed in Compliance with Order No. 8899 in Docket No. 16-0650
Proposed

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>General Volume Firm Transportation</u>		
Service ("GVFT")		
Customer Charge	\$124.49	per month
Delivery Charge		
First 750 CCF	\$0.43373	per CCF Redelivered
Over 750 CCF	\$0.32397	per CCF Redelivered
Pressure Support Fee	\$0.01944	per CCF Redelivered
Balancing Fee Non-Base Rate	\$0.0331005897	per CCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.00128	per CCF
<u>Medium Volume Firm Transportation</u>		
Service ("MVFT")		
Customer Charge	\$779.39	per month
Demand Charge	\$16.611	per MCF of Billing MDQ
Delivery Charge	\$0.53300	per MCF Redelivered
Pressure Support Fee	\$0.1944	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.33105897	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Large Volume Firm Transportation</u>		
Service ("LVFT")		
Customer Charge	\$1,128.89	per month
Demand Charge	\$10.229	per MCF of Billing MDQ
Delivery Charge	\$ 0.12815	per MCF Redelivered
Pressure Support Fee	\$ 0.1944	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.33105897	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Standby Service ("SBS")</u>		
Demand Charge Non-Base Rate	\$1.70227148	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

Order No. 8899

Filed: ~~July 14~~August 26, 2016

Docket No. ~~16-0650~~

Effective with Usage On and After ~~July 16~~November 1, 2016

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Delmarva Power & Light Company
P.S.C. Del. No. 5 - Gas

Leaf No.: 39
Revision: Thirty-~~fifth~~^{sixth}
Revised: ~~July 14~~^{August 26}, 2016

**RATES AND CHARGES
NON-CORE RATE LEAF**

SERVICE CLASSIFICATION	BASE RATE	MIN RATE	MAX RATE	NON-BASE RATE	BASIS
Flexibly Priced Gas Service (“FPS”)					
Commodity Charge 1/ No Notice Swing Charge	\$ 0.15000	Varies	N/A		per MCF per MCF Redelivered
Medium Volume Interruptible Transportation Service (“MVIT”)					
Customer Charge	\$779.39				per month
Delivery Charge (2)					
Option 1	\$ 1.30000				per MCF Redelivered
Option 2		\$0.01	\$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0. 33 ⁴⁵ 897	per MCF of Imbalance Volumes
Large Volume Interruptible Transportation Service (“LVIT”)					
Customer Charge	\$1,128.89				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	\$ 1.30000				per MCF Redelivered
Over 5,000 MCF	\$ 0.36000				per MCF Redelivered
Option 2		\$0.01	\$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0. 33 ⁴⁵ 897	per MCF of Imbalance Volumes
Quasi-Firm Transportation Service (“QFT”)					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				\$0. 33 ⁴⁵ 897	per MCF of Imbalance Volumes
Public Utilities Tax					
	4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.				
City of Wilmington					
Local Franchise Tax				2.00%	Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

Order No. ~~8899~~
Docket No. ~~16-0650~~

Filed: ~~July 14~~^{August 26}, 2016
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~~Filed in Compliance with Order No. 8899 in Docket No. 16-0650~~
~~Proposed~~

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. E.S.T. and E.D.S.T.

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by two point ~~five~~four percent (2.54%) for losses and unaccounted-for gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

Revision: ~~Eleventh~~^{Twelfth}
Revised: August ~~20, 2015~~^{26, 2016}

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of fuel and losses, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of fuel and losses, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., plus the applicable transportation rate and all taxes and surcharges, unless Delmarva notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to one ninety percent (90%) of the lower of the relevant *Gas Daily* posting for Texas Eastern, M-3 or Transco, zone 6 N.Y., unless Delmarva notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee shall be applicable to all Transportation Services and assessed on the customer's total monthly ~~throughput adjusted for thermal content and reduced by two point five percent (2.5%) for losses and unaccounted for gas and daily takes, imbalance volumes~~ (either excess deliveries or excess takes).

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

- (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of fuel and losses, shall be considered unauthorized overrun volumes.

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Order No. ~~8767~~

Filed: August ~~20, 2015~~^{26, 2016}

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Docket No. ~~14-0295F~~

Effective with Usage On and After November 1, ~~2014~~²⁰¹⁶

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~~Filed in Compliance with Order No. 8767 in Docket No. 14-0295F~~

~~To reflect Gas Cost Rate Approved as Final
(Originally Effective November 1, 2014)~~

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TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

U. Transition Charge (Continued)

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a transition charge or refund shall be paid by or returned to the Customer. Such transition charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition refunds shall be paid in a lump sum; transition charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

V. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under these Transportation Service Terms and Conditions.

W. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

X. Pressure Support Fee

The Pressure Support Fee is assessed on throughput of tariffed Customers who benefit from pressure support services. Customers classified as Sales (GCR), Firm Transportation, and LVG-QFCP-RC are allocated these costs in proportion to their respective throughput.

Order No. 6266 —
Docket No. 03-377T

Filed: ~~September 25, 2003~~ Filed: August 26, 2016
Effective: ~~October~~November 1, 20032016

Filed in Compliance with Commission Order No. 6266
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SERVICE CLASSIFICATION "GVFT"

GENERAL VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of less than 2,000 Mcf, who has a Billing Maximum Daily Quantity (Billing MDQ) of less than 500 MCF and who has an annual consumption of greater than 5,000 Mcf annually. Any Customer whose monthly use equals or exceeds 2,000 MCF and/or whose Maximum Daily Quantity equals or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "MVFT" or "LVFT", as applicable. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the GVFT Customer Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing charges, pressure support fees, taxes and any surcharges that may apply

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing FeeCharges, Pressure Support Fees, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

Order No. 6327Filed: ~~December 9, 2003~~August 26, 2016Docket No. 03-127Effective with Usage on or after ~~December 10, 2003~~November 1, 2016

Filed in compliance with Order No. 6327 in Docket No. 03-127
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SERVICE CLASSIFICATION "MVFT"
MEDIUM VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity ("MDQ") of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVFT". The Customer must own and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the MVFT Customer Charge, the Billing MDQ during a month times the MVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing ~~charges~~, ~~pressure support~~ fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing ~~Fee~~Charges, ~~Pressure Support Fees~~, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

Order No. ~~6327~~ Filed: ~~December 9, 2003~~ August 26, 2016
Docket No. ~~03-127~~ Effective with Usage on or after ~~December 10, 2003~~ November 1, 2016

Filed in compliance with Order No. 6327 in Docket No. 03-127
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SERVICE CLASSIFICATION "LVFT"

LARGE VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Maximum Daily Quantity ("MDQ") of 500 MCF or greater. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the LVFT Customer Charge, the Billing MDQ during a month times the LVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing ~~charges~~, ~~pressure support~~ fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing ~~Fee~~Charges, ~~Pressure Support Fees~~, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

Order No. 6266

Filed: ~~September 25, 2003~~August 26, 2016

Docket No. 03-377T

Effective: ~~October~~November 1, 20032016

Filed in Compliance with Commission Order No. 6266
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SERVICE CLASSIFICATION "QFT"
QUASI-FIRM TRANSPORTATION SERVICE

A. Availability

Quasi-Firm Transportation Service is available hereunder to any Customer who has a Minimum Monthly Use of more than 2,000 Mcf and who owns and delivers gas to the Company at an acceptable point of connection, for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation service provided under the Service Classification shall be as stated in the QFT contract, which contract shall specify that the service is firm for no more than 265 days per year and shall also specify the permissible number of days of interruption.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the applicable QFT Customer Charge, the Billing MDQ times the QFT Demand Charge as specified in the contract, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 39. In addition, Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-outs, balancing ~~charges, pressure support~~ fees, taxes and surcharges. The maximum QFT Demand Charge for each Customer shall be the applicable MVFT or LVFT demand charge.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing ~~Fee~~Charges, ~~Pressure Support Fees~~, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Charges, and Rules and Regulations.

Order No. 6266
Docket No. 03-377T

Filed: ~~September 25, 2003~~August 26, 2016
Effective: ~~October~~November 1, 20032016

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Briefing Sheet

BRIEFING SHEET
2016- 2017 GAS COST RATE
DELAWARE PSC DOCKET NO. 16-

SUBJECT: Delmarva Power & Light Company's Application to establish its annual commodity cost rate and the demand cost rate components of the Gas Cost Rate (GCR) for the period November 1, 2016 through October 31, 2017.

CHANGE SOUGHT: Delmarva seeks to revise the GCR demand and commodity charge applicable to Service Classifications MVG and LVG, to revise the volumetrically applied GCR factors applicable to Service Classifications RG, GG, GL, and non-electing MVG, effective on November 1, 2016, with proration. The proposed GCR factors, compared to the presently effective charges, are shown below:

<u>Rate Schedules</u>	<u>Present</u>		<u>Proposed</u>	
	GCR Demand <u>Charge</u>	GCR Commodity <u>Charge</u>	GCR Demand <u>Charge</u>	GCR Commodity <u>Charge</u>
RG, GG, GL and MVG	N/A	39.467¢/ccf	N/A	44.995¢/ccf
Electing MVG and LVG	\$1.7022/Mcf	Varies	\$1.7148/Mcf	Varies
Standby Service	\$1.7022/Mcf	N/A	\$1.7148/Mcf	N/A

REASONS FOR FILING: To establish the Gas Cost Rate factors for the twelve-month period November 2016 through October 2017. Section XX - Gas Cost Rate Clause of Delmarva's Gas Service Tariff requires, among other things, the submission of the Company's estimated annual gas costs for the twelve-month period beginning with the November billing month.

EFFECTIVE DATE: Effective with usage on and after November 1, 2016, with proration.

IMPACT ON CUSTOMERS: Customers served under Service Classifications RG, GG, GL and non-electing MVG will experience a 14% increase in the level of the GCR. The effect on a residential space heating Customer using 120 ccf in a winter month would be an increase of \$6.63, or 5.8%, in their total bill. Customers served on Service Classification GG will experience an increase on their bills within the range of 2.5% and 7.6%. Customers served on Service Classification MVG will experience an increase on their bills within the range of 6.8% and 10.4%. The amount of the increase for these customers will depend upon their load and usage characteristics.

Testimony

1 **DELMARVA POWER & LIGHT COMPANY**
2
3 **TESTIMONY OF JAMES B. JACOBY**
4
5 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**
6
7 **CONCERNING THE NOVEMBER 2016 THROUGH OCTOBER 2017**
8
9 **GAS COST RATE**
10
11 **PSC DOCKET NO. 16-_____**
12
13

14 **1. Q: Please state your name, occupation, and business address.**

15 **A:** My name is James B. Jacoby, Manager Gas Supply, for Delmarva Power &
16 Light Company (Delmarva or the Company). My office is located at 630 Martin Luther
17 King Jr. Blvd, Wilmington, Delaware 19801.

18 **2. Q: Please briefly summarize your educational and professional background.**

19 **A:** I hold a Bachelor of Science Degree in Mining Engineering from The
20 Pennsylvania State University and I am a licensed Professional Engineer in the
21 Commonwealth of Pennsylvania.

22 I have been employed by Pepco Holdings, the parent of Delmarva and its
23 affiliates since July of 1990, serving in operations, environmental, and risk functions.
24 Prior to this I was employed for seven years as an engineer in the mining and
25 environmental industry.

26 In my current role, I am responsible for developing and managing a reliable,
27 cost-effective gas supply portfolio for Delmarva GCR customers.
28
29

1 **3. Q: Have you previously testified before the Delaware Public Service Commission?**

2 **A:** Yes. I have provided testimony before the Delaware Public Service
3 Commission (Commission) in the Annual Gas Cost Rate Case for 2011–2012, Docket
4 No. 11-381F; the Annual Gas Cost Rate Case for 2012-2013, Docket No 12- 419F; the
5 Annual Gas Cost Rate Case for 2013-2014, Docket No. 13-349F; the Annual Gas Cost
6 Rate Case for 2014-2015, Docket No. 14-295F; the Annual Gas Cost Rate Case for 2015-
7 2016, Docket No. 15-1355; and the 2011 QFCP-RC proceedings, Docket No. 11-362.

8 **4. Q: What is the purpose of your testimony in this proceeding?**

9 **A:** I am testifying on behalf of Delmarva supporting the Gas Cost Rate (GCR)
10 proposed to be effective from November 1, 2016 through October 31, 2017. My
11 testimony presents the calculation of the total estimated gas supply costs for the period in
12 question. The estimate includes the following cost elements: 1) gas commodity; 2)
13 interstate pipeline transportation demand; 3) storage demand and capacity; 4) storage
14 withdrawal/injection; 5) variable transportation commodity; 6) fuel; and 7) an estimate of
15 capacity release and off-system sales revenue credits. My direct testimony will also
16 address Delmarva’s Natural Gas Hedge Plan. My testimony was prepared by me or
17 under my direct supervision and control. The source documents for my testimony are
18 Company records. I also rely on my on my personal knowledge and experience.

19 **5. Q: Please outline Delmarva’s firm interstate pipeline and storage capacity and**
20 **supplemental supply portfolio available for this upcoming GCR period.**

21 **A:** Schedule JBJ-1, Portfolio of Firm Transportation & Storage Services,
22 summarizes the firm transportation and firm storage services presently under contract
23 that have primary delivery points to Delmarva’s interstate pipeline interconnections.

1 Based upon these upstream contracts and the planned-for design day vaporization of
2 25,000 MCF from Delmarva's LNG facility, Delmarva will begin the GCR Application
3 Period with 183,485 MCF of peak or design day supply deliverability available to meet
4 firm sales customer requirements.

5 There are no firm upstream capacity additions or subtractions planned during
6 the 2016-2017 GCR Application Period. Column 5 of Schedule JBJ-1 shows the design
7 day supply deliverability of 183,485 MCF available to meet firm sales customer
8 requirements

9 **6. Q: What are the major differences between this year's projected transportation and**
10 **storage demand costs versus those contained in last year's annual GCR filing?**

11 **A:** The annual projected fixed costs related to Delmarva's transportation and
12 storage services are summarized in Schedule JBJ-2. This Schedule compares the
13 projected 2016-2017 costs (Column 3, Schedule JBJ-2) with the estimates included in
14 last year's GCR application (Column 4, Schedule JBJ-2). Overall, compared to last
15 year's application, fixed costs are projected to decrease by \$712,992, or 2.6% (Line 26,
16 Schedule JBJ-2). This change is primarily attributable to the Termination of the
17 Trunkline & Panhandle Contract (Line 4, Schedule JBJ-2 \$575,271 savings), and the
18 completion of the ESNG E-3 Surcharge payments (Line 9, Schedule JBJ-2, \$96,018
19 reduction).

20 The increase in Storage and Seasonal Services costs (shown on Lines 16 & 18,
21 of Schedule JBJ-2) was primarily attributable to higher Transco WSS & Columbia SST
22 Storage Services costs. These increases were partially offset by lower Transco GSS &
23 ESS Storage services costs (Lines 14 & 17, Schedule JBJ-2).

1 There were no significant changes in Supplemental Peaking Services (Line 24,
2 Schedule JBJ-2).

3 **7. Q: Has Delmarva included any forecast of interstate pipeline bill credits or refunds**
4 **in this year's GCR Application?**

5 **A:** No.

6 **8. Q: Please describe the development of the system's gas requirements forecast.**

7 **A:** Delmarva's system gas requirements forecast, also referred to as Firm Sendout,
8 is based upon (a) a monthly forecast of firm billed sales provided by Company Witness
9 Brielmaier; (b) Company use; (c) a 2.4% factor for lost and unaccounted-for-gas; and (d)
10 cycle billing effect. In this Application, Non-Firm Sendout is assumed to be zero based
11 upon Delmarva's recent experience with no sales under its Flexibly Priced City Gate
12 Sales Service (FPS). Schedule JBJ-3, Page 1 of 6, presents the Firm sales, Company use,
13 lost and unaccounted-for-gas and cycle billing estimates on Lines 2, 3 and 4.

14 **9. Q: How are the projected demand, supply and price forecasts integrated?**

15 **A:** For each month of the forecast period, sources and disposition of supply are
16 matched, taking into consideration customer demand, storage inventories, contractual
17 limitations and economics. The gas procurement process takes into account reliability of
18 supply, operational considerations and contract obligations, and is then structured to
19 acquire gas supplies at the best possible cost. Schedule JBJ-3 summarizes Delmarva's
20 projected gas demand, supply and supply prices for the forecast period, November 2016
21 through October 2017.

22 **10. Q: What source did Delmarva select for development of its price forecast for spot**
23 **purchases?**

A: Delmarva used the NYMEX gas futures closing prices on August 5, 2016, as its spot (wholesale) natural gas price (See Table 1 below). Delmarva believes that the NYMEX natural gas futures closing prices on August 5, 2016 were reasonable for use as the wholesale natural gas price forecast, and that using a different methodology was not likely to provide a more accurate GCR forecast. The use of this methodology is consistent with Commission Order No. 6956, Docket No. 05-312F, dated July 11, 2006, and has been used by the Company since the issuance of that Order.

Table 1. NYMEX Futures Closing Prices (In Mcf)

Item	Month	NYMEX 8/5/2016
1	November 2016	3.0688
2	December 2016	3.3296
3	January 2017	3.4548
4	February 2017	3.4445
5	March 2017	3.3979
6	April 2017	3.1443
7	May 2017	3.1164
8	June 2017	3.1516
9	July 2017	3.1837
10	August 2017	3.1940
11	September 2017	3.1764
12	October 2017	3.1950

11. Q: What are the major components of Delmarva's projected natural gas commodity costs for the November 2016 to October 2017 period contained in Delmarva's annual GCR application?

A: Delmarva's estimated natural gas commodity costs for the 2016-2017 GCR Application Period total \$32,992, 970, and is based on three components summarized in Table 2 below: 1) natural gas expected to be withdrawn from storage; 2) gas that is currently hedged for the 2016-2017 GCR Period; and 3) "spot" gas, or gas purchased that is not hedged at the time the cost forecast is prepared. Table 3, containing a

Summary of the 2015/2016 Projected Volumes & Commodity Costs is provided for reference, as well as Table 4 which summarizes the volume and cost differences between the 2015/2016 GCR and the 2016/2017 GCR. During this GCR Application Period, Delmarva plans to hedge a portion of its gas purchases according to the Commission approved Non-Discretionary Hedging Program.

Table 2. Summary of 2016-2017 Projected Volumes & Commodity Costs

Item	Source of Supply	Percentage of Supply	Supply (MCF)	\$ / MCF	Commodity Cost
1	Storage Withdrawals	25%	3,148,001	\$3.39	\$10,674,177
2	Hedged Purchases	20%	2,478,261	\$3.10	\$7,694,900
3	Spot Purchases	57%	7,059,917	\$3.31	\$23,346,888
4	Total Purchases	100%	12,686,179	\$3.29	\$41,715,965
5	Basis, Fuel & Variable Costs			(\$0.69)	(\$8,722,995)
6	Total Commodity Costs				\$32,992,970

Table 3. Summary of 2015-2016 Projected Volumes & Commodity Costs

Item	Source of Supply	Percentage of Supply	Supply (MCF)	\$ / MCF	Commodity Cost
1	Storage Withdrawals	23%	3,086,164	\$3.29	\$10,165,382
2	Hedged Purchases	17%	2,297,101	\$3.26	\$7,492,788
3	Spot Purchases	60%	7,785,113	\$3.24	\$25,251,147
4	Total Purchases	100%	13,168,378	\$3.26	\$42,909,317
5	Basis, Fuel & Variable Costs			(\$0.64)	(\$8,444,323)
6	Total Commodity Costs				\$34,464,994

Table 4. Change in Projected Volume & Commodity Costs - 2016/17 GCR vs 2015/16 GCR

Item	Source of Supply	Percentage of Supply	Supply (MCF)	\$ / MCF	Commodity Cost
1	Storage Withdrawals	1%	61,838	\$0.10	\$508,795
2	Hedged Purchases	2%	181,159	(\$0.16)	\$202,112
3	Spot Purchases	-3%	(725,196)	\$0.06	(\$1,904,259)
4	Total Purchases		(482,199)	\$0.03	(\$1,193,352)
5	Basis, Fuel & Variable Costs			(\$0.05)	(\$278,672)
6	Total Commodity Costs				(\$1,472,024)

12. Q: How does the Summary of Projected 2016-2017 Commodity Costs shown in

Table 2 above compare to the 2015-2016 forecast?

1 **A:** Overall, compared to last year's costs (See Table 3 above), the 2016-2017
2 wholesale gas commodity costs are projected to be \$1,472,024 lower (See Table 4, Line
3 6 above). The decrease in Total Commodity Costs is driven by a decrease in total
4 purchases (Line 4 of Table 4 above) which was offset somewhat by increases in the
5 Commodity Cost of Storage Withdrawals and Hedged Purchases(Lines 1 & 2 of Table
6 4).

7 Storage Withdrawal costs (Line 1 of Table 4 above) are expected to be
8 \$508,795 higher than the storage withdrawal costs forecast in last year's GCR (PSC
9 Docket15-1355), attributable to higher natural gas market unit costs during injection
10 months (April through October).

11 Hedged Purchases costs (Line 2 of Table 4 above) in this year's forecast are
12 \$202,112 higher than last year, due primarily to higher hedged volumes at a slightly
13 lower unit gas cost. Schedule JBJ-4 shows the percentage hedged for this GCR
14 Application Period, and the hedge costs and the market value of the hedges based on
15 August 5, 2016 NYMEX pricing. This Schedule, along with other confidential schedules,
16 is reviewed with the Commission Staff and the Division of the Public Advocate (DPA) on
17 a quarterly basis. Please note that the hedge volumes on Schedule JBJ-4 are stated per
18 MMBtu. Line 15 has been added to Schedule JBJ-4 so that the hedge volumes and cost
19 per unit can reconcile to the Hedge Purchases in MCF disclosed on Table 2, Summary of
20 2016-2017 Projected Volumes & Commodity Costs, above.

21 The decrease in Spot Purchases (Line 3 of Table 4 above) of natural gas
22 totaling 725,196 MCF is expected to occur at an average price of \$3.31 per MCF, which
23 is higher than the \$3.24 per MCF forecast in last year's GCR filing.

1 The observed decrease in Basis, Fuel & Variable Costs totaling \$278,672 is
2 primarily due to decreased volume and changes to delivery points.

3 **13. Q: Please explain how the estimated cost for storage withdrawals is**
4 **determined.**

5 A. Projected storage withdrawal costs are estimated by taking the actual inventory
6 cost as of the end of July, 2016, and projecting the volume and total cost of gas expected
7 to be injected between August 1, 2016 and October 31, 2017. The total cost of injected
8 gas into Delmarva's storage facilities includes all transportation, commodity and storage
9 charges, in addition to the underlying market cost of the natural gas at the time of
10 injection.

11 **14. Q: Please outline the guidelines of Delmarva's Natural Gas Hedging Program.**

12 A. Commission Order 7658, in Docket No. 08-266F, dated October 6, 2009,
13 requires Delmarva to hedge, on a non-discretionary basis, fifty percent (50%) of the
14 projected monthly gas requirements. The time horizon of the Hedging Program is 12-
15 months. Therefore, hedges are to be entered into on a pro-rata basis (1/12th each month)
16 over the 12-months preceding the month in which the physical gas is delivered to
17 customers. As noted during the quarterly hedge calls, Delmarva defines projected
18 monthly gas requirements as projected city gate requirements plus storage injections
19 minus storage withdrawals. Delmarva created a method to track the quantity of hedges
20 by month that it needs to execute in order to maintain compliance with the guidelines to
21 hedge 1/12 each month on a pro-rata basis beginning 12-months in advance. This
22 tracking mechanism is shared and discussed with Commission Staff and the DPA on a
23 quarterly basis.

1 **15. Q: Have there been any changes to Delmarva's Natural Gas Hedging Program since**
2 **the guidelines were established in PSC Order 7658, dated October 6, 2009?**

3 A. No.

4 **16. Q: What are the objectives of Delmarva's Natural Gas Hedging Program and**
5 **Natural Gas Planning and Procurement Strategy?**

6 A: The objectives of the Natural Gas Hedging Program are to reduce gas
7 commodity price volatility while limiting the firm sales customers' exposure to
8 increases in the market price of natural gas.

9 The overall objective of Delmarva's Gas Supply Planning and Procurement
10 Strategy is to provide reliable natural gas supply and service to core residential,
11 commercial and industrial customers, at the lowest reasonable and stable prices which
12 are reflective of market conditions over time. To ensure reliability, Delmarva secures,
13 by long-term contract, the needed pipeline and storage services to serve its core
14 customers' firm requirements.

15 **17. Q: How does Delmarva's firm supply deliverability compare with forecasted design-**
16 **day customer demand?**

17 A: Delmarva's firm supply deliverability for the 2016-2017 GCR Application
18 Period is 183,485 MCF (Line 22, Column 2, Schedule JBJ-1), which is 3.2% higher than
19 the projected design-day requirement of 177,637 MCF shown on Schedule JBJ-5.
20 Schedule JBJ-5, Firm Deliverability Versus Design Day, depicts how Delmarva expects
21 its design-day reserve to change over the next several years based on its most recent
22 strategic planning. The chart indicates that the Reserve Margin is 3.2% in the current GCR
23 year which is reduced to 1.5% by the end of 2020. This reduction is a result of the

1 modest projected yearly growth in demand (<1%) and a fixed supply portfolio assumed in
2 the Gas Supply Plan. Delmarva continues to monitor the development of new interstate
3 pipeline projects to determine if any of these would support its Strategic Gas Supply Plan.

4 **18. Q: What has Delmarva done to lower fixed pipeline and storage costs?**

5 **A.** Delmarva employs a number of methods that help offset the fixed cost of
6 pipeline transportation and storage capacity, the most significant being off-system sales
7 and capacity release transactions. Delmarva enters into these short term transactions to
8 sell pipeline or storage capacity not needed to serve its firm sales customers. Typically,
9 the term of the off-system sales transactions are either monthly or daily. Capacity release
10 arrangements are most commonly done for a seasonal term (e.g., Nov. – Mar. or Apr. –
11 Oct.) or for a term of one month. In entering into these transactions, Delmarva seeks to
12 obtain at least market value for such pipeline transportation and storage capacity.

13 For the forecasted GCR Application Period, as shown on line 210 of Schedule
14 JBJ-3, Delmarva estimates it will achieve \$3,218,060 in gross margins from off-system
15 sales and capacity release transactions. Delmarva expects to continue to capitalize on
16 spread differentials between supply sources and the market area to earn off-system sales
17 margins, and expects to achieve value from releasing pipeline capacity on a monthly and
18 seasonal basis.

19 Delmarva continually evaluates its transportation and storage portfolios in an
20 effort to reduce costs while maintaining reliability, and also monitors and intervenes, as
21 necessary, in pipeline rate cases in an effort to mitigate the financial impact of such rate
22 cases.

1 **19. Q: Does Delmarva regularly evaluate its pipeline and storage assets for possible**
2 **reductions, additions or changes in composition?**

3 A: Delmarva continually reviews its portfolio of pipeline and storage assets for
4 possible changes in its composition. Schedule JBJ-6 is a listing of Delmarva's pipeline
5 and storage assets along with expiration dates, evergreen provisions "stay period" and the
6 first date Delmarva can make a decision to renew or terminate assets in timeline format.
7 This Schedule has been used in addition to other data to evaluate its pipeline and storage
8 assets.

9 Delmarva does not plan to add any new firm upstream pipeline or storage
10 assets in the 2016/2017 GCR Year. Delmarva does intend to renew the following
11 contracts: Tetco (Contract 870018), ESNG (Contracts 050072 & 010046), and Transco
12 (Contracts 90008008, 1003684 & 1011993). These renewals are noted on Schedule JBJ-
13 6 and are a combination of automatic renewals and formal notice renewals.

14 Delmarva does not intend to renew the Trunkline (13083) and Panhandle
15 (13321) contracts. The two contracts expire on 10/31/2016. The growth and availability
16 of shale gas in the Market Area has made the Trunkline and Panhandle delivery points
17 much less attractive from a basis perspective; terminating these two agreements results in
18 a reduction in demand charges of approximately \$575,000 per year. This change in cost
19 is reflected in Line 4 of Schedule JBJ-2. This change does not impact Delmarva's Firm
20 Deliverability.

21 **20. Q: Has Delmarva entered into any new Asset Management Agreements for any part**
22 **of its portfolio?**

23 A: No.

1 **21. Q: Will Delmarva be considering additional downstream pipeline capacity during**
2 **the coming 2016/2017 GCR Application Period.**

3 **A:** Yes. The Company is currently in the process of adding 10,000 DT of Eastern Shore
4 Natural Gas (ESNG) Firm capacity. The addition is needed to ensure adequate supply
5 on the southern portion of the Delmarva system. As discussed during the August 1st
6 Quarterly Hedge Call with Staff and the DPA, the Company has participated in a
7 binding Open Season and has executed a Precedent Agreement with ESNG that
8 projects a tentative In-Service Date of November 2017. It is important to note that this
9 capacity does not add to the Firm Deliverability nor increase the Reserve Margin
10 shown in JBJ-5. The project does not add any new costs to the 2016/2017 GCR.

11 **22. Q: Will Delmarva be considering the addition of firm upstream pipeline capacity**
12 **during the 2016/2017 GCR Application Period?**

13 **A.** Delmarva is not currently pursuing any additional firm upstream capacity at this
14 time. As projects arise, Delmarva will evaluate the potential fit and notify Staff and the
15 DPA in accordance with the provisions of Order 8869, in Docket 15-1355, prior to
16 proceeding. The Company will continue to provide updates to Staff and the DPA on a
17 regular basis, during its Quarterly Hedge Calls, regarding the status of these projects.

18 **23. Q: Does this conclude your direct testimony at this time?**

19 **A:** Yes.

DELMARVA POWER & LIGHT COMPANY
PORTFOLIO OF FIRM TRANSPORTATION AND STORAGE SERVICES
WINTER 2016-17 GCR PERIOD

Schedule JBJ-1

	(1)	(2)	(3)	(4)	(5)
	Contract Number	Daily (Mcf)	Annual (Mcf)	Contract Expiration	Adjusted Daily (Mcf)
1 Firm Transportation					
2 Transco Sentinel FT	9076492	24,155	8,816,575	5/20/2029	24,155
3 Transco FT ¹	1003684	54,800	20,002,000	3/31/2020	54,800
4 Transco FT ¹	1011993	4,831	1,763,315	3/31/2017	4,831
5 Columbia FTS	49832	3,342	1,219,830	10/31/2018	3,342
6 Columbia FTS	49833	3,343	1,220,194	10/31/2018	3,343
7 Columbia FTS	80724	19,324	7,053,260	10/31/2019	19,324
8 TETCO FT-1	800475	9,662	3,526,630	10/31/2020	9,662
9		119,457	43,601,804		119,457
10					
11 Firm Storage					
12 Transco GSS	1000854	28,420	2,056,961	3/31/2023	28,420
13 Columbia FSS	80723	9,768	504,202	3/31/2020	9,768
14 Transco LNG	9010117	840	6,970	3/31/2020	840
15		39,028	2,568,133		39,028
16					
17 Subtotal Firm Capacity Available		158,485	46,169,937		158,485
18					
19 Supplemental Supply					
20 Delmarva LNG		25,000	250,000		25,000
21					
22 Total Firm Peak Day Planned Capacity		183,485	46,419,937		183,485

Notes:

¹ Contract has no date of termination and is an evergreen contract at DPL's Option

DELMARVA POWER & LIGHT COMPANY
FIRM TRANSPORTATION & STORAGE CONTRACT PORTFOLIO
SUMMARY OF PROJECTED FIXED GAS COSTS
2016-17 GCR PERIOD

Schedule JBJ-2

	(1)	(2)	(3)	(4)	(5)
	PIPELINE CAPACITY & SUPPLY	DAILY CITYGATE MDQ	2016-2017 PROJECTED COSTS	2015-2016 PROJECTED COSTS	VARIANCE (3) - (4)
<u>FIRM TRANSPORTATION SERVICES</u>					
1	TRANSCO FT	54,800	\$9,844,011	\$9,916,615	(\$72,604)
2	COLUMBIA FTS	26,009	\$1,999,572	\$1,980,504	\$19,068
3	TRANSCO SENTINEL FT	24,155	\$5,025,780	\$5,042,203	(\$16,423)
4	TETCO, TRUNKLINE, PANHANDLE	9,662	\$1,254,541	\$1,829,813	(\$575,271)
5	TRANSCO LEIDY-LINE FT	4,831	\$238,369	\$239,551	(\$1,182)
6	GULF FTS-1 & FTS-2		\$1,161,598	\$1,161,598	\$0
7	EASTERN SHORE FT365		\$4,031,520	\$4,031,520	\$0
8	EASTERN SHORE T - 1		\$66,456	\$66,456	\$0
9	EASTERN SHORE E-3 SURCHARGE		\$0	\$96,018	(\$96,018)
10	TRANSCO SENTINEL METER UPGRADE		\$468,846	\$470,131	(\$1,285)
11	SUBTOTAL	119,457	\$24,090,693	\$24,834,408	(\$743,715)
12					
13	<u>STORAGE & SEASONAL SERVICES:</u>				
14	TRANSCO GSS	28,420	\$1,493,001	\$1,498,488	(\$5,487)
15	COLUMBIA FSS	9,768	\$362,448	\$362,448	\$0
16	COLUMBIA SST		\$547,758	\$542,394	\$5,364
17	TRANSCO ESS		\$460,547	\$461,809	(\$1,262)
18	TRANSCO WSS		\$226,772	\$194,585	\$32,187
19	SUBTOTAL	38,188	\$3,090,526	\$3,059,724	\$30,802
20					
21	<u>SUPPLEMENTAL PEAKING SERVICES:</u>				
22	TRANSCO LNG	840	\$28,680	\$28,759	(\$79)
23	DELMARVA LNG	25,000	\$0	\$0	\$0
24	SUBTOTAL	25,840	\$28,680	\$28,759	(\$79)
25					
26	TOTAL	183,485	\$27,209,899	\$27,922,891	(\$712,992)
27					-2.6%

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DELMARVA POWER & LIGHT COMPANY
SUMMARY OF GAS SUPPLY (MCF)
November 2016 - October 2017
12 Months Estimated
Schedule JBJ-3

Page 2

DESCRIPTION	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov 16-Oct 17 GCR TOTAL
12 FIRM SUPPLY													
13 Transco FT Base	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Transco FT & PS-3 (WSS W/D)	72,464	239,614	239,614	224,155	75,863	0	0	0	0	0	0	0	851,709
15 Transco FT & PS-3 (ESS W/D)	0	43,478	43,478	43,478	511	0	0	0	0	0	0	0	130,946
16 Transco Spot / Base Load	718,760	908,804	908,800	820,846	908,806	819,504	766,923	684,471	615,426	619,515	639,493	707,305	9,118,653
17 TOTAL TRANSOCO FT SUPPLY(LESS WSS/ESS)	718,760	908,804	908,800	820,846	908,806	819,504	766,923	684,471	615,426	619,515	639,493	707,305	9,118,653
18 Columbia Base	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0
19 Columbia Swing	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0
20 Columbia Spot	6,000.003	259,966	412,176	227,556	516,925	183,900	6,200.00	45,210.00	6,200.00	6,200.00	85,230.00	263,159.00	2,018,722
21 TOTAL COLUMBIA FTS-1 SUPPLY	6,000	259,966	412,176	227,556	516,925	183,900	6,200.00	45,210.00	6,200.00	6,200.00	85,230.00	263,159.00	2,018,722
22 TEXAS EASTERN ITP SUPPLY	144,930	299,522	299,522	270,536	299,522	45,000	46,500	45,000	46,500	46,500	45,000	46,500	1,635,032
23 OTHER FIRM SUPPLY	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL FIRM SUPPLY (MCF)	869,690	1,468,292	1,620,498	1,318,938	1,725,253	1,048,404	819,623	774,681	668,126	672,215	768,723	1,016,964	12,772,407
25 INTERRUPTIBLE SUPPLY													
26 OTHER NON-FIRM SUPPLY	0	0	0	0	0	0	0	0	0	0	0	0	0
27 STORAGE													
31 GSS GROSS INJECTION TO STORAGE(INCL FUEL)	0	0	0	0	0	0	(276,574)	(267,852)	(245,843)	(245,843)	(237,913)	(221,706)	(1,614,488)
32 WSS GROSS INJECTION TO STORAGE(INCL FUEL)	0	0	0	0	0	0	(128,763)	(124,609)	(122,632)	(128,763)	(124,609)	(141,539)	(895,526)
33 ESS GROSS INJECTION TO STORAGE(INCL FUEL)	0	0	0	0	0	0	(34,110)	(34,110)	0	0	(34,110)	(32,968)	(135,298)
34 OPEN	0	0	0	0	0	0	0	0	0	0	0	0	0
35 LNG GROSS INJECTION TO STORAGE(INCL FUEL)	0	0	0	0	0	(821)	(1,553)	(1,502)	(1,553)	(1,553)	(1,502)	(1,481)	(9,964)
36 OPEN	0	0	0	0	0	0	0	0	0	0	0	0	0
37 FSS: GROSS INJECTION TO STORAGE (INCL FUEL)	0	0	0	0	0	(14,493)	(74,879)	(72,464)	(74,879)	(74,879)	(44,928)	(29,193)	(385,715)
38 IMBALANCES	0	0	0	0	0	0	0	0	0	0	0	0	0
39 TOTAL IN/OUT STORAGES	0	0	0	0	0	(258,880)	(515,878)	(500,336)	(444,907)	(451,036)	(443,063)	(426,887)	(3,040,991)
40 LNG INJECTED TO STORAGE	0	0	0	0	0	(20,290)	(41,932)	(40,580)	(8,116)	0	(40,580)	(41,739)	(193,237)
41 TOTAL STORAGE INJECTED	0	0	0	0	0	(279,170)	(557,811)	(540,918)	(453,023)	(451,036)	(463,642)	(468,626)	(3,234,227)
42 GSS WITHDRAWN: REC'D AT CITYGATE	63,768	359,420	449,275	420,290	280,822	0	0	0	0	0	0	0	1,573,575
43 WSS WITHDRAWN: REC'D AT CITYGATE	72,464	239,614	239,614	224,155	75,863	0	0	0	0	0	0	0	851,709
44 ESS WITHDRAWN: REC'D AT CITYGATE	0	43,478	43,478	43,478	511	0	0	0	0	0	0	0	130,946
45 OPEN	0	0	0	0	0	0	0	0	0	0	0	0	0
46 LNG WITHDRAWN: REC'D AT CITYGATE	0	0	3,490	3,436	2	0	0	0	0	0	0	0	6,926
47 OPEN	0	0	0	0	0	0	0	0	0	0	0	0	0
48 FSS WITHDRAWN: REC'D AT CITYGATE	26,087	119,807	119,807	92,464	27,550	0	0	0	0	0	0	0	385,714
49 DELMARVA LNG WITHDRAWN (INCLUDING BOILOFF)	5,000	5,000	97,754	51,377	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	199,130
50 TOTAL WITHDRAWN STORAGES	167,319	767,319	953,417	835,198	389,748	274,170	5,000	5,000	5,000	5,000	5,000	5,000	3,148,001
51 TOTAL NET STORAGE, MCF	167,319	767,319	953,417	835,198	389,748	(274,170)	(552,811)	(535,918)	(448,023)	(446,038)	(478,642)	(463,626)	(86,227)
52 TOTAL SUPPLY AVAILABLE FOR SENDOUT	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	774,234	266,812	238,763	220,103	226,177	281,081	553,338	12,686,180
53 PRIOR PERIOD ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
54 NET SUPPLY AVAILABLE FOR SENDOUT	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	774,234	266,812	238,763	220,103	226,177	281,081	553,338	12,686,180

DELMARVA POWER & LIGHT COMPANY

SUMMARY OF GAS COSTS (\$)

November 2016 - October 2017

12 Months Estimated

Schedule JBJ-3

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DESCRIPTION	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov 16-Oct 17 GCR TOTAL
59 TRANSPORTATION COMMODITY CHARGES, \$													
60 Transco Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61 Transco FT spot	\$1,498,835	\$2,225,058	\$2,340,058	\$2,104,986	\$2,287,800	\$1,763,847	\$1,619,101	\$1,552,392	\$1,328,159	\$1,347,949	\$1,496,128	\$1,635,361	\$21,199,683
62 SUBTOTAL TRANSCO FT: COMMODITY	\$1,498,835	\$2,225,058	\$2,340,058	\$2,104,986	\$2,287,800	\$1,763,847	\$1,619,101	\$1,552,392	\$1,328,159	\$1,347,949	\$1,496,128	\$1,635,361	\$21,199,683
63													
64 Columbia Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65 Columbia Swing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66 Columbia Spot	\$18,604	\$878,854	\$1,449,375	\$797,976	\$1,786,693	\$582,502	\$19,462	\$143,537	\$19,887	\$19,953	\$272,756	\$848,486	\$6,838,083
67 SUBTOTAL COLUMBIA FTS: COMMODITY	\$18,604	\$878,854	\$1,449,375	\$797,976	\$1,786,693	\$582,502	\$19,462	\$143,537	\$19,887	\$19,953	\$272,756	\$848,486	\$6,838,083
68													
69 TEXAS EASTERN ITP SUPPLY	\$470,035	\$1,051,784	\$1,090,379	\$981,977	\$1,072,836	\$143,422	\$146,866	\$143,758	\$150,085	\$150,580	\$144,908	\$150,630	\$5,697,280
70													
71 FT-365: ESNG COMMODITY CHARGE	\$1,249	\$5,900	\$4,046	\$2,162	\$1,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,471
72 T-1: ESNG COMMODITY CHARGE	\$186	\$193	\$193	\$174	\$193	\$107	\$35	\$0	\$0	\$0	\$33	\$51	\$1,165
73 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74 TRANSCO LEIDY LINE FT TRANSPORT	\$4,561	\$5,236	\$5,236	\$4,730	\$5,236	\$4,561	\$4,320	\$3,420	\$3,534	\$3,534	\$3,040	\$3,534	\$50,942
75 WSS: TRANSPORT CHARGE:	\$2,692	\$8,902	\$8,902	\$8,327	\$2,818	\$1,501	\$1,551	\$1,501	\$1,477	\$1,551	\$1,501	\$1,705	\$42,428
76 ESS: TRANSPORT CHARGE:	\$0	\$1,610	\$1,610	\$1,610	\$19	\$0	\$411	\$411	\$0	\$0	\$411	\$397	\$6,479
77 COLUMBIA SST TRANSPORT	\$467	\$2,145	\$2,145	\$1,655	\$493	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,804
78 HEDGE SETTLEMENT	(\$88,575)	(\$131,765)	(\$160,928)	(\$93,675)	(\$45,770)	(\$16,325)	(\$6,593)	\$337	\$247	\$0	\$0	\$0	(\$543,045)
79 TOTAL COMMODITY FIRM TRANSPORT \$	\$1,908,054	\$4,047,916	\$4,741,016	\$3,809,932	\$5,111,432	\$2,479,616	\$1,785,153	\$1,845,356	\$1,503,390	\$1,523,567	\$1,918,777	\$2,640,163	\$33,314,371
80													
81 TRANSCO IT: DELIVERED COMMODITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82 COLUMBIA ITS: DELIVERED COMMODITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
83 TEXAS EASTERN IT-1 COMMODITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
84 OTHER NON-FIRM PURCHASES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
85 TOTAL COMMODITY NONFIRM TRANSPORT \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
86													
87 TOTAL TRANSPORTATION COMMODITY \$	\$0	\$4,047,916	\$4,741,016	\$3,809,932	\$5,111,432	\$2,479,616	\$1,785,153	\$1,845,356	\$1,503,390	\$1,523,567	\$1,918,777	\$2,640,163	\$33,314,371
88													
89 COMMODITY WACCOC, \$/MCF	\$2.19	\$2.76	\$2.93	\$2.89	\$2.96	\$2.37	\$2.18	\$2.38	\$2.25	\$2.27	\$2.49	\$2.60	\$2.61

Schedule JBJ-3

GCR TOTAL

DESCRIPTION	Nov-16	Dec-18	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	GGR TOTAL
90 STORAGE COMMODITY CHARGES, \$													
91 GSS: CREDIT COMMODITY INJECTED			\$0	\$0	\$0	\$0	(\$190,661)	(\$435,557)	(\$403,926)	(\$406,245)	(\$388,955)	(\$366,588)	(\$2,622,833)
92 WSS: CREDIT COMMODITY INJ (+ FUEL)	\$0	\$0	\$0	\$0	\$0	\$0	(\$400,455)	(\$410,086)	(\$401,387)	(\$420,412)	(\$404,585)	(\$462,277)	(\$2,858,283)
93 ESS: CREDIT COMMODTY INJ (+ FUEL)	\$0	\$0	\$0	\$0	\$0	\$0	(\$110,285)	(\$111,520)	\$0	\$0	(\$112,392)	(\$109,263)	(\$443,460)
94 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95 LNG: CREDIT COMMODITY INJECTED	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,888)	(\$5,040)	(\$4,932)	(\$5,148)	(\$4,970)	(\$4,926)	(\$32,868)
96 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,164)	\$0	\$0	\$0
97 FSS: CREDIT INJ (+FUEL)	\$0	\$0	\$0	\$0	\$0	\$0	(\$46,136)	(\$238,228)	(\$231,213)	(\$242,161)	(\$144,492)	(\$94,587)	(\$1,236,188)
98 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
99 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100 TOTAL CREDIT STORAGE GAS INJ-808.2	\$0	\$0	\$0	\$0	\$0	(\$639,940)	(\$1,197,197)	(\$1,179,978)	(\$1,049,300)	(\$1,073,982)	(\$1,055,394)	(\$1,037,641)	(\$7,233,432)
101													
102 LNG: CREDIT INJECTED-808.201	\$0	\$0	\$0	\$0	\$0	(\$32,520)	(\$66,036)	(\$65,334)	(\$13,327)	\$0	(\$66,342)	(\$69,015)	(\$312,574)
103 LNG: PRIOR PERIOD ADJUSTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
104 TOTAL CREDIT LNG GAS INJ-808.201	\$0	\$0	\$0	\$0	\$0	(\$32,520)	(\$66,036)	(\$65,334)	(\$13,327)	\$0	(\$66,342)	(\$69,015)	(\$312,574)
105													
106 GSS: DEBIT COMMODITY WITHDRAWN	\$102,697	\$578,840	\$723,550	\$676,869	\$452,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,534,214
107 WSS: DEBIT COMMODITY (WID +FUEL)	\$204,701	\$678,880	\$678,880	\$683,210	\$214,305	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,405,976
108 ESS: DEBIT COMMODITY (WID +FUEL)	\$0	\$115,609	\$112,050	\$112,050	\$1,347	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$341,055
109 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
110 LNG: DEBIT COMMODITY WITHDRAWN	\$0	\$0	\$10,602	\$10,631	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,438
111 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
112 FSS: DEBIT COMMODITY WITHDRAWN	\$72,264	\$331,880	\$331,878	\$256,133	\$76,316	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,068,471
113 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
115 TOTAL DEBIT STORAGE GAS WID-808.1	\$379,662	\$1,703,209	\$1,855,160	\$1,688,893	\$744,232	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,371,155
116													
117 LNG: DEBIT WITHDRAWAL 808.101	\$15,012	\$15,012	\$293,503	\$188,330	\$23,293	\$23,293	\$19,570	\$15,491	\$13,553	\$13,280	\$13,280	\$12,186	\$645,803
118 LNG: PRIOR PERIOD ADJUSTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
119 TOTAL DEBIT LNG GAS WID-808.101	\$15,012	\$15,012	\$293,503	\$188,330	\$23,293	\$23,293	\$19,570	\$15,491	\$13,553	\$13,280	\$13,280	\$12,186	\$645,803
120													
121 GSS: INJ & WID CHARGES	\$2,816	\$15,873	\$19,842	\$18,561	\$12,402	\$6,110	\$14,207	\$13,748	\$12,628	\$12,628	\$12,221	\$11,388	\$152,425
122 WSS: INJ & WID CHARGES	\$1,082	\$3,611	\$3,611	\$3,378	\$1,143	\$1,878	\$1,940	\$1,878	\$1,848	\$1,940	\$1,878	\$2,133	\$26,330
123 ESS: INJ & WID CHARGES	\$0	\$1,851	\$1,851	\$1,851	\$22	\$1,452	\$1,452	\$1,452	\$0	\$0	\$1,452	\$1,434	\$11,334
124 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125 LNG: INJ & WID CHARGES	\$0	\$0	\$1,103	\$1,086	\$1	\$260	\$491	\$475	\$491	\$491	\$475	\$468	\$5,341
126 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 FSS: INJ & WID CHARGES	\$413	\$1,897	\$1,897	\$1,464	\$436	\$230	\$1,186	\$1,148	\$1,186	\$1,186	\$711	\$462	\$12,216
128 SUBTOTAL INJ & WID CHARGES	\$4,321	\$23,232	\$28,304	\$26,340	\$14,004	\$8,478	\$19,276	\$18,702	\$16,153	\$16,245	\$16,737	\$15,854	\$207,646
129													
TOTAL NET STORAGE \$	\$0	\$398,995	\$1,741,453	\$2,176,967	\$781,529	(\$640,689)	(\$1,224,387)	(\$1,211,119)	(\$1,032,921)	(\$1,044,457)	(\$1,091,719)	(\$1,078,616)	(\$321,402)

DEL MARVA POWER & LIGHT COMPANY
SUMMARY OF GAS COSTS (\$)
November 2016 - October 2017
12 Months Estimated
Schedule JBJ-3

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DESCRIPTION	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov 16-Oct 17 GCR TOTAL
131 DEMAND CHARGES													
132 TRANSOCO CITYGATE SURCHARGE	\$38,535	\$39,820	\$39,820	\$35,966	\$39,820	\$38,535	\$39,820	\$38,535	\$39,820	\$39,820	\$38,535	\$39,820	\$468,846
133 TRANSOCO SENTINEL FT	\$413,078	\$426,847	\$426,847	\$385,539	\$426,847	\$413,078	\$426,847	\$413,078	\$426,847	\$426,847	\$413,078	\$426,847	\$5,025,780
134 TRANSOCO FT DEMAND STA 30	\$146,176	\$151,048	\$151,048	\$136,431	\$151,048	\$146,176	\$151,048	\$146,176	\$151,048	\$151,048	\$146,176	\$151,048	\$1,778,471
135 TRANSOCO FT DEMAND STA 45	\$208,388	\$215,334	\$215,334	\$194,495	\$215,334	\$208,388	\$215,334	\$208,388	\$215,334	\$215,334	\$208,388	\$215,334	\$2,535,385
136 TRANSOCO FT DEMAND STA 50	\$148,899	\$153,862	\$153,862	\$138,972	\$153,862	\$148,899	\$153,862	\$148,899	\$153,862	\$153,862	\$148,899	\$153,862	\$1,811,602
137 TRANSOCO FT DEMAND STA 62	\$305,635	\$315,822	\$315,822	\$285,259	\$315,822	\$305,635	\$315,822	\$305,635	\$315,822	\$315,822	\$305,635	\$315,822	\$3,718,553
138 TRANSOCO FT DEMAND WSS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
139 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
140 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
141 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143 TRANSOCO PS-3 DEMAND STA 30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144 TRANSOCO PS-3 DEMAND STA 45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
145 TRANSOCO PS-3 DEMAND STA 50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
146 TRANSOCO PS-3 DEMAND STA 62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
147 TRANSP DEMAND CHARGE TRANSOCO LEIDY LINE FT	\$19,592	\$20,245	\$20,245	\$18,286	\$20,245	\$19,592	\$20,245	\$19,592	\$20,245	\$20,245	\$19,592	\$20,245	\$238,369
148 COLUMBIA FTS: DEMAND CHARGE	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$60,862	\$1,999,572
149 COLUMBIA SST: DEMAND CHARGE (80722)	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$87,843	\$547,758
150 COL GULF FTS-1: DEMAND CHARGE	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$10,995	\$1,029,658
151 COL GULF FTS-2: DEMAND CHARGE	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$104,545	\$1,319,940
152 TEXAS EASTERN ITP DEMAND	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$335,960	\$1,254,541
153 FT-365: ESG DEMAND CHARGE	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$5,538	\$4,031,520
154 T-1: ESG DEMAND CHARGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$86,456
155 ESG SURCHARGES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
156 REFUNDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
157 REFUNDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
158 SUBTOTAL FIRM DEMAND CHARGES	\$2,052,677	\$2,095,352	\$2,095,352	\$1,967,322	\$2,095,352	\$2,018,752	\$2,061,427	\$2,018,752	\$2,061,427	\$2,061,427	\$2,018,752	\$2,061,427	\$24,638,451
159													
160 GSS: DEMAND CHARGE	\$88,862	\$91,824	\$91,824	\$82,938	\$91,824	\$88,862	\$91,824	\$88,862	\$91,824	\$91,824	\$88,862	\$91,824	\$1,081,154
161 CAPACITY CHARGE	\$33,850	\$34,979	\$34,979	\$31,594	\$34,979	\$33,850	\$34,979	\$33,850	\$34,979	\$34,979	\$33,850	\$34,979	\$411,847
162 WSS: DEMAND CHARGE	\$9,305	\$9,615	\$9,615	\$8,685	\$9,615	\$9,305	\$9,615	\$9,305	\$9,615	\$9,615	\$9,305	\$9,615	\$113,210
163 CAPACITY CHARGE	\$9,334	\$9,645	\$9,645	\$8,711	\$9,645	\$9,334	\$9,645	\$9,334	\$9,645	\$9,645	\$9,334	\$9,645	\$113,562
164 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
165 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 LNG: DEMAND CHARGE	\$907	\$938	\$938	\$847	\$938	\$907	\$938	\$907	\$938	\$938	\$907	\$938	\$11,041
167 CAPACITY CHARGE	\$1,450	\$1,498	\$1,498	\$1,353	\$1,498	\$1,450	\$1,498	\$1,450	\$1,498	\$1,498	\$1,450	\$1,498	\$17,639
168 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
169 OPEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
170 ESS: DEMAND & INJECTION CHARGE	\$24,460	\$25,275	\$25,275	\$22,829	\$25,275	\$24,460	\$25,275	\$24,460	\$25,275	\$25,275	\$24,460	\$25,275	\$297,594
171 CAPACITY CHARGE	\$13,393	\$13,840	\$13,840	\$12,501	\$13,840	\$13,393	\$13,840	\$13,393	\$13,840	\$13,840	\$13,393	\$13,840	\$162,953
172 FSS: DEMAND CHARGE	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$15,175	\$182,100
173 CAPACITY CHARGE	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$15,029	\$180,348
174 SUBTOTAL STORAGE DEMAND CHARGES	\$211,765	\$217,818	\$217,818	\$199,862	\$217,818	\$211,765	\$217,818	\$211,765	\$217,818	\$217,818	\$211,765	\$217,818	\$2,571,448
175													
176 TOTAL DEMAND CHARGES \$	\$2,264,442	\$2,313,170	\$2,313,170	\$2,166,984	\$2,313,170	\$2,230,517	\$2,279,245	\$2,230,517	\$2,279,245	\$2,279,245	\$2,230,517	\$2,279,245	\$27,209,899

DELMARVA POWER & LIGHT COMPANY
OVERALL SUMMARY OF GAS COSTS
November 2016 - October 2017
12 Months Estimated
Schedule JBJ-3

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DESCRIPTION	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov 16-Oct 17 GCR TOTAL
OVERALL SUMMARY													
177 FIRM DEMAND	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	774,234	286,812	238,763	220,103	226,177	291,081	553,338	12,686,181
178 NONFIRM DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
179 STORAGE INJECTION (NO WSS)	0	0	0	0	0	154,560	429,048	416,308	330,391	322,275	359,033	327,087	2,338,702
180 WSS STORAGE INJ	0	0	0	0	0	124,609	128,763	124,609	124,609	128,763	124,609	141,539	895,528
181 TOTAL DEMAND	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	1,053,404	824,823	779,681	673,125	677,215	774,723	1,021,965	15,920,408
182 FIRM SUPPLY	869,690	1,488,292	1,620,498	1,318,938	1,725,253	1,048,404	819,823	774,681	668,126	672,215	769,723	1,016,964	12,772,407
183 NONFIRM SUPPLY	0	0	0	0	0	0	0	0	0	0	0	0	0
185 WSS & ESS WITHDRAWAL	72,464	283,092	283,092	267,633	76,375	0	0	0	0	0	0	0	982,655
186 STORAGE WITHDRAWAL (less WSS & ESS)	84,855	484,227	670,326	567,565	313,374	5,000	5,000	5,000	5,000	5,000	5,000	5,000	2,185,347
187 TOTAL SUPPLY	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	1,053,404	824,823	779,681	673,126	677,215	774,723	1,021,964	15,920,408
188 NET SUPPLY VS DEMAND	0	0	0	0	0	0	0	0	2	1	1	(1)	0
COMMODITY EXPENSE, \$													
191 TOTAL COMMODITY FIRM TRANSPORT \$	\$1,908,054	\$4,047,918	\$4,741,016	\$3,809,932	\$5,111,432	\$2,479,818	\$1,785,153	\$1,845,356	\$1,503,390	\$1,523,587	\$1,918,777	\$2,640,163	\$33,314,371
193 TOTAL COMMODITY NONFIRM TRANSPORT \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
194 SUBTOTAL COMMODITY TRANSPORT \$	\$1,908,054	\$4,047,918	\$4,741,016	\$3,809,932	\$5,111,432	\$2,479,818	\$1,785,153	\$1,845,356	\$1,503,390	\$1,523,587	\$1,918,777	\$2,640,163	\$33,314,371
195 TOTAL COMMODITY \$	\$398,995	\$1,741,453	\$2,176,967	\$1,903,563	\$781,529	(\$640,689)	(\$1,224,387)	(\$1,211,119)	(\$1,032,921)	(\$1,044,457)	(\$1,091,719)	(\$1,078,616)	(\$321,402)
196 TOTAL COMMODITY \$	\$2,307,049	\$5,789,369	\$6,917,983	\$5,713,495	\$5,892,960	\$1,839,127	\$560,766	\$634,237	\$470,469	\$479,110	\$827,058	\$1,561,547	\$32,992,970
DEMAND EXPENSE, \$													
197 SUBTOTAL DEMAND FIRM TRANSPORT	\$2,052,677	\$2,095,352	\$1,967,322	\$2,095,352	\$2,018,752	\$2,018,752	\$2,061,427	\$2,018,752	\$2,061,427	\$2,061,427	\$2,018,752	\$2,091,858	\$24,638,451
199 SUBTOTAL DEMAND NONFIRM TRANSPORT	\$211,765	\$217,818	\$217,818	\$199,662	\$217,818	\$211,765	\$217,818	\$211,765	\$217,818	\$217,818	\$211,765	\$217,818	\$2,571,448
200 TOTAL DEMAND	\$2,264,442	\$2,313,170	\$2,185,140	\$2,295,014	\$2,236,570	\$2,230,517	\$2,279,245	\$2,230,517	\$2,279,245	\$2,279,245	\$2,230,517	\$2,309,676	\$27,209,899
TOTAL EXPENSE \$													
202 TOTAL FIRM TRANSPORT	\$3,960,731	\$6,143,268	\$6,836,368	\$5,777,254	\$7,206,784	\$4,498,368	\$3,846,580	\$3,864,109	\$3,564,817	\$3,584,984	\$3,937,529	\$4,732,022	\$57,952,823
203 TOTAL STORAGE CHARGES	\$610,760	\$1,959,271	\$2,394,785	\$2,103,225	\$999,347	(\$428,924)	(\$1,006,569)	(\$999,354)	(\$815,103)	(\$826,639)	(\$879,954)	(\$860,798)	\$2,250,046
204 PRIOR PERIOD ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
205 TOTAL GAS SUPPLY EXPENSE \$	\$4,571,491	\$8,102,539	\$9,231,153	\$7,880,479	\$8,206,131	\$4,069,444	\$2,840,011	\$2,864,755	\$2,749,714	\$2,758,355	\$3,057,575	\$3,871,224	\$60,202,868
207 CREDIT FROM CAPACITY RELEASE \$	\$228,000	\$173,600	\$134,850	\$121,800	\$110,050	\$111,000	\$167,015	\$151,950	\$167,865	\$167,865	\$162,450	\$140,275	\$1,826,720
208 CREDIT FROM OFF-SYSTEM SALES \$	\$110,524	\$66,190	\$163,362	\$145,164	\$86,862	\$52,149	\$79,708	\$130,801	\$133,394	\$133,394	\$154,801	\$135,056	\$1,391,340
209 TOTAL CREDIT	\$338,524	\$239,790	\$298,212	\$266,964	\$196,912	\$163,149	\$236,721	\$282,751	\$301,259	\$301,156	\$317,251	\$275,331	\$3,218,060
211 WACCOG with Hedges, \$/MCF	\$2,224	\$2,599	\$2,687	\$2,652	\$2,786	\$2,375	\$2,107	\$2,663	\$2,137	\$2,113	\$2,843	\$2,821	\$2,607
212 WACCOG without Hedges, \$/MCF	\$2,310	\$2,646	\$2,750	\$2,698	\$2,807	\$2,392	\$2,124	\$2,654	\$2,136	\$2,113	\$2,843	\$2,821	\$2,643
214 NYMEX Gas Futures 08/05/16	\$3,068	\$3,326	\$3,458	\$3,445	\$3,397	\$3,143	\$3,116	\$3,151	\$3,137	\$3,194	\$3,174	\$3,195	\$56,994,808
215 Difference from WACCOG (without Hedges)	(\$0.756)	(\$0.681)	(\$0.748)	(\$0.748)	(\$0.590)	(\$0.748)	(\$0.990)	(\$0.496)	(\$1.047)	(\$1.075)	(\$0.356)	(\$0.373)	\$0
216													
217													
218													
219 Total Firm Sendout	1,037,009	2,235,611	2,573,915	2,154,136	2,115,001	774,234	266,812	238,763	220,103	226,177	291,081	553,338	12,686,181
220 +Storage Injection	0	0	0	0	0	0	0	0	0	0	0	0	0
221 -Storage Withdrawal	(167,319)	(767,319)	(953,417)	(835,198)	(389,748)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(3,148,001)
222 Total Hedgeable in Mcf	869,690	1,468,292	1,620,498	1,318,938	1,725,253	1,048,404	819,823	774,681	668,126	672,215	769,723	1,016,964	12,772,407
223 Total Hedgeable in Dth	900,129	1,519,682	1,677,215	1,365,101	1,785,636	1,085,098	848,310	801,794	691,510	695,743	796,664	1,052,558	13,219,441

DELMARVA POWER & LIGHT COMPANY
Schedule JBJ-4
PERCENTAGE HEDGED AND AVERAGE HEDGE COSTS (IN MMBtu)

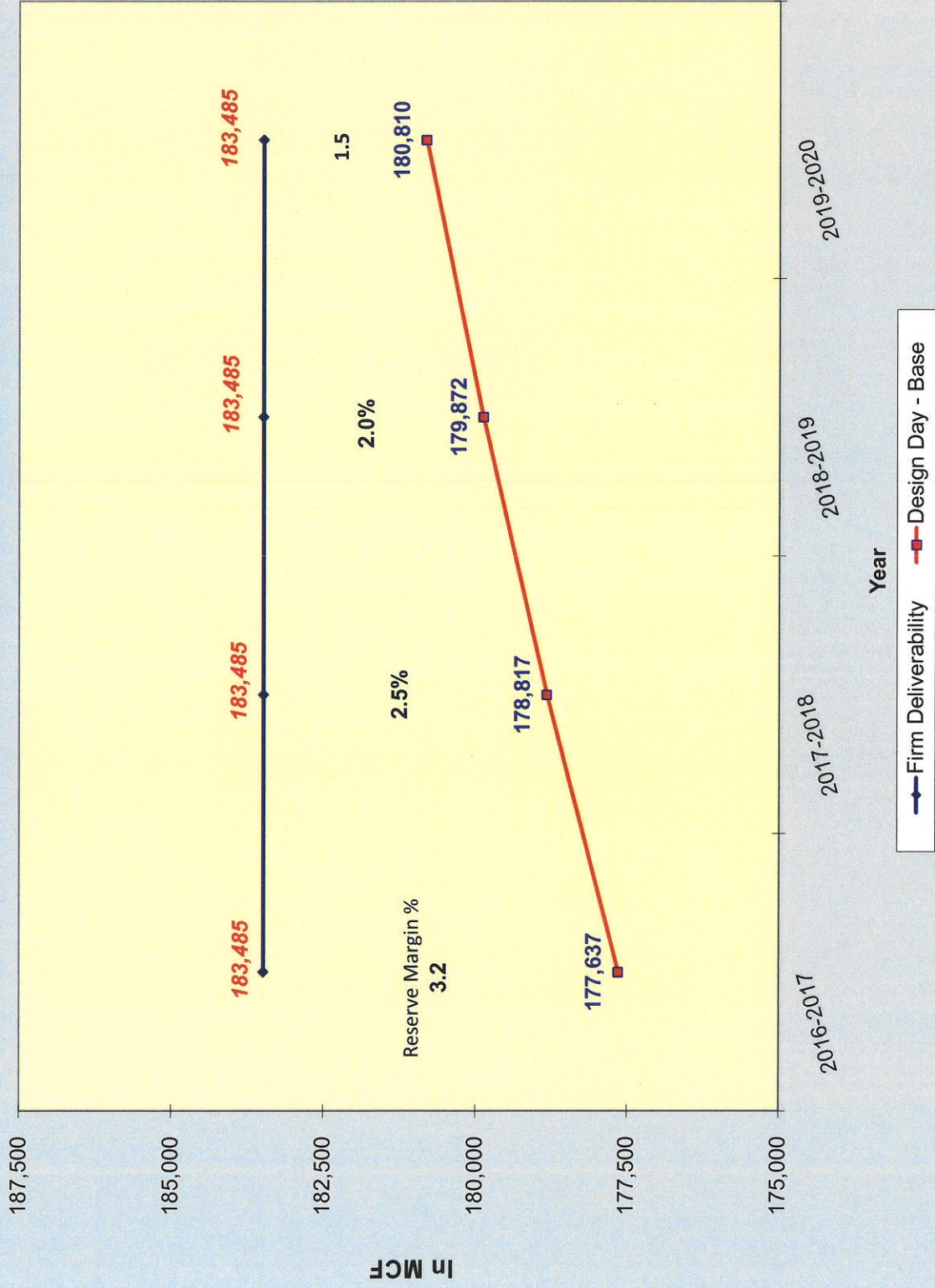
A	B	C	D	E	F	G	H
Month	GCR Purchase Requirements	Volume Hedged (1)	Percent Hedged [C/B]	Avg Cost Per MMBtu	Hedge Cost [C x E]	Projected Settle Price (2)	Projected Market Value of Hedges [G - E] x C]
Nov 2016	900,129	312,500	35%	\$2.682	\$837,988	\$2.965	\$88,575
Dec 2016	1,519,682	457,500	30%	\$2.929	\$1,340,013	\$3.217	\$131,765
Jan 2017	1,677,215	605,000	36%	\$3.072	\$1,858,563	\$3.338	\$160,928
Feb 2017	1,365,101	425,000	31%	\$3.108	\$1,320,725	\$3.328	\$93,675
Mar 2017	1,785,636	340,000	19%	\$3.148	\$1,070,450	\$3.283	\$45,770
Apr 2017	1,085,098	212,500	20%	\$2.961	\$629,250	\$3.038	\$16,325
May 2017	848,310	117,500	14%	\$2.955	\$347,200	\$3.011	\$6,593
Jun 2017	801,794	67,500	8%	\$3.050	\$205,875	\$3.045	(\$337)
Jul 2017	691,510	27,500	4%	\$3.085	\$84,838	\$3.076	(\$247)
Aug 2017	695,743	-	0%	\$0.000	\$0	\$3.086	\$0
Sep 2017	796,664	-	0%	\$0.000	\$0	\$3.069	\$0
Oct 2017	1,052,558	-	0%	\$0.000	\$0	\$3.087	\$0
Totals	13,219,440	2,565,000	19%	\$3.000	\$7,694,900	\$3.212	\$543,045
Totals in Mcf	12,772,406	2,478,261	19%	\$3.105	\$7,694,900	\$3.324	\$543,045

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(1) Hedges executed according hedging program established in PSC Order 7658, dated October 6, 2009
(2) August 5, 2016 NYMEX prices

Schedule JBJ-5

Firm Deliverability Versus Design Day



DP&L STORAGE AND TRANSPORTATION ASSETS

Updated August 2016

[illegible]

1 **DELMARVA POWER & LIGHT COMPANY**

2 **TESTIMONY OF DIANE M. RUTH**

3 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**

4 **CONCERNING THE NOVEMBER 2016 THROUGH OCTOBER 2017**

5 **GAS COST RATE**

6 **PSC DOCKET NO. 16-_____**

7 **1. Q: State your name, position, and business address.**

8 **A:** My name is Diane M. Ruth, Senior Rate Analyst, Revenue Performance for
9
10 Pepco Holdings. I am testifying on behalf of Delmarva Power & Light Company
11 (Delmarva or the Company), a subsidiary of Pepco Holdings. My office is located
12 at 500 N. Wakefield Drive, Newark, Delaware 19702.

13 **2. Q: Please state your educational background and relevant experience.**

14 **A:** I hold a Bachelor of Science degree in Accounting from The University of
15 Delaware and am a Certified Public Accountant in the State of Delaware. I have
16 been employed by Pepco Holdings, the parent of Delmarva, since May of 2008
17 serving in accounting and regulatory functions.

18 In my current role, I am responsible for the Gas Cost Rate, FERC Rates and
19 Regulation, and other related activities. In my prior accounting role, I was
20 responsible for pension and post employment benefit accounting and consolidation
21 reporting of Pepco Holdings' legal entities.

22 Prior to joining Pepco Holdings, I held various regulatory reporting and
23 accounting positions with major financial institutions including Bank One
24

1 Corporation and MBNA America Bank, N.A., with increasing levels of
2 responsibility.

3 **3. Q: Have you previously testified before the Delaware Public Service**
4 **Commission?**

5 A: No.

6 **4. Q: What is the purpose of this testimony?**

7 A: The purpose of my testimony is to support Delmarva's Application for a
8 change to the Gas Cost Rate (GCR) to be effective with usage on and after
9 November 1, 2016, with proration, and subject to refund after final Commission
10 approval. As detailed further in the Application, Delmarva's request is to increase
11 the GCR for residential customers by approximately 14.0%, from 39.467¢/CCF to
12 44.995¢/CCF. The effect of this proposed increase on a typical residential space
13 heating customer using 120 CCF in a winter month would be an increase of \$6.63
14 or 5.8%, from \$114.65 to \$121.28, on a typical winter monthly bill. The GCR for
15 other customer classes is fully addressed in the Application.

16 My pre-filed testimony supports the calculation of the GCR as required by
17 the Gas Service Tariff, which is summarized on Schedule DMR-1, Page 1.
18 Calculation of the proposed GCR factors is based on the gas sales forecast
19 sponsored by Company Witness Brielmaier, as well as the delivered cost of
20 purchased gas, weighted average commodity cost of gas, and off-system sales and
21 capacity release estimates, all sponsored by Company Witness Jacoby. My
22 testimony was prepared by me or under my direct supervision. The source

documents for my testimony are Company records. I also rely on my personal knowledge and experience.

My testimony specifically addresses the following matters:

1. The development of the GCR based on the Gas Service Tariff;
2. The audit of the 2015-2016 GCR year;
3. The Balancing Charge and the Pressure Support Fee being implemented in this Application for Gas Transportation Customers; and
4. The status of compliance with the provisions of Paragraph 8 of the Settlement Agreement approved by Commission Order No. 8869 in PSC Docket No. 15-1355.

5. Q: Does Delmarva propose any change in the method for calculating the 2016-2017 GCR?

A. No, but the Company will be implementing the new Balancing Charge and Pressure Support Fee approved in Docket No. 15-0671 per Commission Order No. 8862.

6. Q: Please compare the proposed 2016-2017 GCR to the current rate.

A: The GCR components applicable to Firm Sales Customers, compared with the currently effective Gas Cost Rate factors, are shown below:

GAS COST RATE

	Current	Proposed	Change
RG, GG, GL, and MVG	39.467¢/CCF	44.995¢/CCF	5.528¢/CCF
LVG and Electing MVG Demand	\$1.7022/MCF	\$1.7148/MCF	\$.0126/Mcf
LVG and Electing MVG Commodity	Varies Monthly	Varies Monthly	N/A

1
2 The 2016-2017 calculation of the GCR factors is summarized on Schedule
3 DMR-1, Page 1 of 4. Calculations which support the Commodity Cost Rate (CCR)
4 factors appear on Schedule DMR-1, Page 2. Derivation of the Commodity Cost
5 Factor Revenues for LVG and Electing MVG customers is shown on Schedule
6 DMR-1, Page 3. Derivation of the Demand Cost Rate (DCR) factors is shown on
7 Schedule DMR-1, Page 4. The details of the calculation of Off-System Sales and
8 Capacity Release Margins are itemized on Schedule DMR-2. Schedule DMR-3
9 includes the derivation of the Demand Expense True-up for the prior GCR period.
10 Schedules DMR-4 through 6 contain the Recovery Schedules and the associated
11 interest calculations based on actual information for the 2014-2015 GCR period,
12 (9+3) for the current GCR period, and 12 months estimated for the Application
13 Period in this filing. Schedules DMR-7 and DMR-8 contain comparisons of sales
14 and recoverable fuel costs. The presently effective DCR factor applicable to
15 Electing MVG and LVG Customers, and the current CCR and DCR factors
16 applicable to RG, GG, GL and MVG Customers were approved, by Commission
17 Order No. 8869, in Docket No. 15-1355. These rates became effective with usage
18 on and after November 1, 2015, with proration.

19 **7. Q: Please explain the derivation of the estimated firm gas expenses for the**
20 **period November 2016 through October 2017.**

21 **A:** The total estimated gas expenses for the upcoming GCR period are
22 sponsored by Company Witness Jacoby on Schedule JBJ-3. Estimated gas costs
23 associated with Company Use are credited against total estimated gas commodity

1 costs in their entirety. Transition Charge revenue from customers who switch from
2 Firm Sales to Transportation Service, Balancing Charges and the Pressure Support
3 Fee (PSF) are all credited against estimated gas demand expenses at 100% of their
4 value. Margins related to Interruptible Transportation are shared with customers on
5 an 80%/20% basis, with 80% returned to Firm Customers through revenue credits,
6 and 20% retained by Delmarva.

7 Margins from Capacity Release and Off-System Sales are credited to the
8 GCR at 100%, until a total credit of \$3.0 million is reached for the 12-month
9 period ending every June. Once the \$3.0 million threshold is met, the margins are
10 then shared at the 80%/20% level until the following July.

11 **8. Q: Please explain how the revenue credits for service to Interruptible Gas**
12 **Transportation Customers were developed.**

13 **A:** Margins associated with Interruptible Gas Transportation Customers are
14 shared on an 80%/20% basis, with 80% credited to Firm Full Requirements
15 Customers through development of the Demand Factor for the GCR. These
16 revenue credits are made up of customer charges and delivery charges incurred by
17 all Interruptible Gas Transportation Customers.

18 **9. Q: Please discuss the gas costs and recoveries for the current November 2015**
19 **through October 2016 GCR period.**

20 **A:** The monthly comparison of actual gas cost and recovery for the period
21 November 2015 through July 2016, and estimated gas cost and recovery for the
22 period August 2016 through October 2016, are shown in Schedule DMR-5, Pages

1 and 2. Firm gas costs and recoveries have been compared for each of those months to determine the monthly over or under-recovery of gas costs.

Schedule DMR-5, Page 1, shows the projected under-recovery balance of \$1,435,982 (exclusive of interest) of estimated recoverable gas expenses, which is based on nine months of historical data and three months of updated revenue estimates prepared for this Application. The Adjusted Deferred Fuel Balance on November 1, 2015, was an over-recovery of \$4,871,683.

10. Q: Please discuss the interest calculation.

A: As specified in Leaf No. 36 of Delmarva's Gas Service Tariff, interest in the amount of \$143,381 was calculated based on the average monthly gas deferred fuel balances, at the rate of 1/12 of the applicable FERC Natural Gas Interest Rate Factor of 3.25% for November 1, 2015 through March 31, 2016, 3.46% for April 1, 2016 through June 30, 2016, and 3.50% for July 1, 2016 through October 31, 2016. This information is available on the FERC website. In months where the Average Over-Recovery Balance is in excess of 4 1/2% of the Total Recoverable Fuel Expense, the excess balance is subject to an additional 2% interest charge which is added at the rate of 1/12 to the applicable FERC Natural Gas Interest Rate Factor. The interest calculation for the 2015-2016 GCR period is based on nine months of historical data and three months of updated estimates prepared for this Application, and is detailed on Schedule DMR-6.

11. Q: Please describe the derivation of the proposed Commodity and Demand Cost Rate factors for the 2016-2017 GCR Application Period.

1 **A:** Two steps derive the Commodity Cost Rate (CCR) factors for Delmarva's
2 Firm Customers. First, total estimated firm commodity costs are allocated between
3 Annual CCR (RG, GG, GL, and Non-Electing MVG Customers) and Monthly
4 CCR (LVG and Electing MVG) Customers. Monthly CCR Customer costs are
5 derived by setting the commodity portion each month at the system Weighted
6 Average Commodity Cost of Gas (WACCOG) projected for that month (as
7 adjusted for lost and unaccounted-for-gas). This method sets monthly commodity
8 revenues equal to expenses for Monthly CCR Customers. All remaining estimated
9 firm commodity expenses are assigned to the Annual CCR Customers. During the
10 2016-2017 GCR Period, there is one LVG and no Electing MVG Customers on
11 Delmarva's system, as reflected in the Gas Sales Forecast sponsored by Company
12 Witness Brielmaier. Schedule DMR-1, Page 3, details the calculation of these
13 assigned costs and revenues. All remaining estimated firm commodity expenses
14 are assigned to the Annual CCR customers.

15 Once the assignment of estimated firm commodity costs between Annual and
16 Monthly CCR customers has been made, the Annual CCR factor can be calculated.
17 Any over- recovery or under-recovery balance and associated interest remaining
18 from the prior GCR period, net of the demand cost true-up discussed in response to
19 Question No. 12, is assigned to the Annual CCR customers. The calculation of
20 commodity gas cost factors is shown on Schedule DMR-1, Page 3.

21 A true-up of LVG and Electing MVG commodity revenues and expenses will
22 be made if there is an over-recovery or under-recovery that exceeds 5% of total gas

1 commodity costs, or \$250,000 for the 12 months ended June 30, 2017, in next
2 year's GCR filing.

3 Firm gas demand expenses are recovered through a volumetric DCR factor,
4 where total recoverable costs are divided by the aggregate amount of the Firm Full
5 Requirements GCR forecast sales sponsored by Company Witness Brielmaier.
6 The calculation of the volumetric DCR factor appears on Schedule DMR-1, Page
7 4.

8 **12. Q: Please discuss the demand cost true-up included in the calculation of the**
9 **Demand Cost Rate factors for both volumetric and non-volumetric customers.**

10 **A:** A true-up of demand-related cost differences has been applied to all Sales
11 Customers. This true-up is achieved by comparison of the estimated monthly
12 demand costs and the actual demand costs for the period of August 2015 through
13 July 2016. The cumulative monthly variance is multiplied by 1/12 of the FERC
14 Gas Refund Rate then in effect. The total true-up (variance plus interest) of
15 \$28,152 is allocated among the volumetric and non-volumetric customers in the
16 development of the volumetric and non-volumetric DCR factor calculations. This
17 calculation appears on Schedule DMR-3.

18 **13. Q: Please describe Schedules DMR-7 through DMR-9.**

19 **A:** Schedule DMR-7 details actual and estimated monthly sales for the twelve
20 months ended October 31 in 2015, 2016, and 2017. Schedule DMR-8 compares
21 the actual and estimated gas costs and regulatory credits for the twelve months
22 ended October 31 in 2015, 2016, and 2017. Schedule DMR-9 provides the actual
23 recovery results for the twelve-month reconciliation period ended July 31, 2016.

1 **14. Q: Please describe the status of the 2015-2016 GCR audit.**

2 **A:** Delmarva's Internal Audit Department is in the process of completing the
3 audit for Delmarva Power & Light Company Report on the Comparison of Gas
4 Expense and Recovery for the year ended 2015 (Report). This audit includes the
5 review of a sampling of customer billing and both regulatory and accounting
6 records concerning sales, gas costs and gas cost revenue. The audit procedures and
7 results will be reviewed by PriceWaterHouseCoopers, LLP in order for them to
8 issue an opinion that the Report is presented fairly in all material respects. The
9 final Report will be filed with the Commission by October 31, 2016.

10 **15. Q: Please describe the revised Balancing Charge and the new Pressure Support**
11 **Fee to become effective November 1, 2016.**

12 **A:** In Commission Order No. 8862, in PSC Docket No. 15-0671, the
13 Commission approved the Company's proposed changes to the methodology used
14 for calculating Balancing Charges and the addition of a new Pressure Support Fee
15 (PSF) to be assessed to Firm Transportation Service and Large Volume Gas-
16 Qualifying Fuel Cell Provider-Renewable Capable (LVG-QFCP-RC) Customers.
17 Balancing Charges continue to be borne by all Balancing Service Customers
18 (BSC), which includes Firm and Interruptible Transportation Customers, LVG-
19 QFCP-RC Customers and Other Contract Customers. The revised calculation
20 takes the estimated costs for swing and storage services in the upcoming GCR
21 period (2016-17) and divides them by the actual swing storage volumes in the
22 previous GCR period (2014-15). The BSC Customers' share of the total swing
23 storage services is then determined by comparing their actual balancing volumes in

1 the previous GCR period to the total actual swing storage volumes provided by the
2 Company's swing storage contracts during that period. The Balancing Charge
3 calculation for the 2016-17 GCR period is shown on Schedule DMR-10, Page 2.
4 The new Pressure Support Fee (PSF) is designed to allocate a portion of the
5 Eastern Shore Natural Gas (ESNG) capacity costs to Firm Transportation and
6 LVG-QFCP-RC Customers. The allocation is based on annual throughput in the
7 previous GCR period (2014-15). As shown on Schedule DMR-10, Page 1, Firm
8 Transportation and LVG-QFCP-RC customers have been allocated 38% of the
9 ESNG capacity costs for the 2016-17 GCR period, at a rate of \$0.2058 per MCF of
10 throughput.

11 **16. Q: Please summarize the GCR factors proposed for the 12-month period beginning**
12 **November 1, 2016.**

13 **A:** The proposed GCR factors applicable to volumetric customers for the 2016-
14 2017 GCR period are based on the following amounts:
15

1

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Estimated Firm Gas Costs for the 2016/2017 GCR period	\$32,964,039	\$21,257,732	\$54,221,771
Estimated Under-Recovery Position at 10/31/16	\$1,435,982	N/A	\$1,435,982
True-Ups and Timing Differences	\$255,674	(\$28,152)	\$227,522
Interest	(\$143,381)	N/A	(\$143,381)
Subtotal	\$34,512,314	\$21,229,580	\$55,741,894
Monthly CCR Factor Credit	(\$188,825)	–	(\$188,825)
MVG/LVG DCR Factor Credit	<u>N/A</u>	<u>\$0</u>	<u>\$0</u>
Volumetric Expenses	\$34,323,489	\$21,229,580	\$55,553,069
Estimated 2016-2017 GCR Period Sales (MCF)	12,325,803	12,380,396	N/A
Volumetric Gas Cost Rate	<u>\$2.7847/MCF</u>	<u>\$1.7148/MCF</u>	<u>\$4.4995/MCF</u>

2

3 **17. Q: What are the components of the GCR?**4 **A.** The GCR is comprised of the following components:

	<u>2016-2017</u>	<u>2015-2016</u>	<u>Variance</u>
Commodity Related	2.6798	2.6710	0.0088
Demand Related	1.7148	1.7022	0.0126
Prior Period Balances	0.1049	(0.4265)	0.5314
Proposed GCR	4.4995	3.9467	0.5528

5

6 The Commodity component is primarily composed of the cost of natural gas
7 as quoted by the NYMEX on August 5th, 2016. The Demand component is the
8 unit cost of Delmarva's transportation and storage assets. Transportation assets
9 needed to deliver natural gas to Delmarva's city gate for customer consumption,
10 and storage assets are necessary for reliability. The Commodity and Demand

components are described in Company Witness Jacoby's testimony. The Under-Recovered balance is carried over from the prior GCR period.

18. Q: What will be the effect of the proposed GCR on customers' bills?

A: The effect of the proposed GCR on a typical residential space heating customer, using 120 CCF in a typical winter month is summarized as follows:

Bill Component	Base Rates and Current GCR	Base Rates and Proposed GCR	% Change
Base Rate	\$67.29	\$67.29	0%
GCR	\$47.36	\$53.99	14.0%
Total Bill Amount	\$114.65	\$121.28	5.8%
\$ Increase		\$6.63	

Gas costs included in the proposed GCR represent approximately 45% of the total bill amount under the proposed GCR.

Customers served on service classification GG will experience an increase on their winter bills between 2.5% and 7.6%. Customers served on service classification MVG will experience an increase on their winter bills between 6.8% and 10.4%. The amount of the increase will vary depending upon their load and usage characteristics.

19. Q. Please provide an update on the status of compliance with the terms of the Paragraph 8 in the Settlement Agreement approved in Docket No. 15-1355, per Order No. 8869.

A. The 2015-16 GCR rates approved by the Commission in Docket No. 15-1355 are being trued up in this GCR proceeding.

1 **20. Q: Please reference the tariff revisions proposed by Delmarva in this filing.**

2 **A:** Included with the application, are the following P.S.C. Del. No. 5 - Gas
3 tariff leafs, red-lined to show the modifications required by the Gas Service Tariff:

- 4 • 4th Revised Leaf No. 34
- 5 • 65th Revised Leaf No. 37
- 6 • 61st Revised Leaf No. 38
- 7 • 36th Revised Leaf No. 39
- 8 • 13th Revised Leaf No. 53
- 9 • 12th Revised Leaf No. 55
- 10 • 3rd Revised Leaf No. 59a
- 11 • 4th Revised Leaf No. 60
- 12 • 4th Revised Leaf No. 61
- 13 • 3rd Revised Leaf No. 62
- 14 • 3rd Revised Leaf No. 65

15 **21. Q: What is Delmarva requesting of the Commission in this filing?**

16 **A:** Delmarva respectfully requests that the Commission:

- 17 1. Approve the proposed Gas Cost Rate factors to become effective with
18 usage on and after November 1, 2016, with proration.
- 19 2. Approve the proposed Balancing Charge to become effective on
20 November 1, 2016.
- 21 3. Approve the proposed Pressure Support Fee to become effective on
22 November 1, 2016.

1 **22. Q: Does this conclude your pre-filed direct testimony?**

2 **A:** Yes, it does.

Delmarva Power & Light Company
Summary of Gas Cost Rate
Commodity and Demand Factors
For November 2016 Through October 2017

Description	<u>RG, GG, GL and Non-Electing MVG</u>	<u>LVG and Electing MVG</u>
Commodity	\$2.7847 Per Mcf	Varies
Demand	<u>\$1.7148 Per Mcf</u>	<u>\$1.7148 Per Mcf</u>
Total GCR	<u>\$4.4995 Per Mcf</u>	<u>Varies</u>
	<u>Firm Transportation Service</u>	<u>Interruptible Transportation Service</u>
Balancing Charge	<u>\$0.5897 Per Mcf</u>	<u>\$0.5897 Per Mcf</u>
Pressure Support Fee	<u>\$0.1944 Per Mcf</u>	<u>N/A</u>

Delmarva Power & Light Company
Calculation of Gas Cost Rate Commodity Factors
For November 2016 Through October 2017

Description	RG, GG, GL and Non Electing MVG (\$)	Electing MVG (\$)	LVG (\$)	Total (\$)
Estimated Under or (Over) Recovery on October 31, 2016	1,435,982	0	0	1,435,982
Estimated 2015/2016 GCR Period Interest Expense	(143,381)	0	0	(143,381)
Estimated Under or (Over) Recovery on November 1, 2016	1,292,601	0	0	1,292,601
Demand Expense True-Up (1)	28,152			28,152
Proration of November 2016 GCR (2)	227,522	0	0	227,522
Total Estimated Firm Commodity Costs	32,775,214	0	188,825	32,964,039
Total Commodity Revenue to be Collected	34,323,489	0	188,825	34,512,314
Estimated Firm Sales (Mcf)	12,325,803	0	54,593	12,380,396
Commodity Cost Factor (Per MCF)	2.7847	Varies	Varies	N / M

N / M = Not Meaningful

Notes:

- (1) See Schedule DMR-3 for Demand Expense True-Up calculation.
(2) November 2016 revenue from RG, GG, GL, and MVG is prorated between old and new GCR, which corrects for a revenue deficit when rates are rising and a revenue surplus when rates are falling. The adjustment is calculated as follows:

	One Half of November 2016 Sales	Proposed Rate	Current Rate	Difference	Adjustment
RR, RSH, GG, GL	405,214	\$4.4995	\$3.9467	\$0.5528	\$224,002
Non Electing MVG Commodity	6,515	\$2.7847	\$2.2445	\$0.5402	\$3,519
Total	411,729				\$227,522

Delmarva Power & Light Company
Monthly MVG and LVG Commodity Cost Factor Revenues
For August 2016 Through October 2017
(15 Months Estimated)

Description	System WACCOG (\$/Mcf)	Commodity Rate (1) (\$/Mcf)	LVG Sales (Mcf)	LVG Revenue (\$)	Electing MVG Sales (Mcf)	Electing MVG Revenue (\$)	Total Monthly CCR Revenue (\$)
August 2016	2.2907	2.3480	0	0	0	0	0
September 2016	2.0510	2.1023	0	0	0	0	0
October 2016	2.0630	2.1146	0	0	0	0	0
November 2016	3.0688	3.1424	5,007	15,734	0	0	15,734
December 2016	3.3296	3.4095	11,090	37,811	0	0	37,811
January 2017	3.4548	3.5377	15,246	53,936	0	0	53,936
February 2017	3.4445	3.5271	12,897	45,489	0	0	45,489
March 2017	3.3979	3.4795	9,546	33,215	0	0	33,215
April 2017	3.1443	3.2198	0	0	0	0	0
May 2017	3.1164	3.1912	0	0	0	0	0
June 2017	3.1516	3.2272	0	0	0	0	0
July 2017	3.1837	3.2601	0	0	0	0	0
August 2017	3.1940	3.2707	0	0	0	0	0
September 2017	3.1764	3.2526	0	0	0	0	0
October 2017	3.1950	3.2717	807	2,640	0	0	2,640
2016/2017 GCR Period.			<u>54,593</u>	<u>188,825</u>	<u>0</u>	<u>0</u>	<u>188,825</u>

Note:

(1) Monthly Commodity Rate is equal to the System Weighted Average Commodity Cost of Gas (WACCOG) adjusted for losses of 2.4%.

Delmarva Power & Light Company
Calculation of Gas Cost Rate Demand Factor
For November 2016 Through October 2017

Description	Amount
Total Gas Demand Expense	\$27,209,899
<u>Demand Credits:</u>	
Off System Sales & SWAPS Margins	(1,345,588)
Capacity Release Margins	(1,757,157)
Interruptible Gas Transportation Margins	(646,178)
Transition Charges	0
Pressure Support Fees	(1,482,223)
Balancing Charges	(721,021)
Total Demand Revenue Credits	(5,952,167)
Total Firm Gas Supply Demand Expense	\$21,257,732
Total Demand Expense True-Up	(28,152)
Adjusted Total Firm Gas Supply Demand Expense	\$21,229,580
Estimated Firm Volumetric Sales (Mcf)	12,380,396
GCR Demand Factor (Per MCF)	\$1.7148

Schedule DMR-2
Page 1 of 1

Delmarva Power & Light Company
Capacity Release & Off System Sales
For July 2015 Through October 2017

<u>Month</u>	<u>Capacity Release Revenue (\$)</u>	<u>Off-System Revenue (\$)</u>	<u>Off-System Sales Expenses (\$)</u>	<u>Off-System Sales Margins (\$)</u>	<u>Total Margins (\$)</u>	<u>Accumulated Margins (\$)</u>	<u>Margins Shared (\$)</u>	<u>Percentage of Margins Shared (%)</u>
July 2015	205,249	900,833	588,561	312,272	517,521	517,521	517,521	100.00%
August 2015	263,098	535,281	318,522	216,759	479,857	997,378	479,857	100.00%
September 2015	249,730	522,433	307,841	214,592	464,322	1,461,700	464,322	100.00%
October 2015	318,840	315,680	135,967	179,713	498,553	1,960,253	498,553	100.00%
November 2015	255,548	265,066	161,234	103,832	359,381	2,319,634	359,381	100.00%
December 2015	(22,670)	321,559	219,097	102,462	79,792	2,399,426	79,792	100.00%
January 2016	67,148	474,726	293,990	180,736	247,884	2,647,310	247,884	100.00%
February 2016	91,230	646,779	447,530	199,249	290,479	2,937,789	290,479	100.00%
March 2016	56,928	531,888	449,088	82,800	139,728	3,077,517	124,225	88.90%
April 2016	113,475	356,018	273,810	82,208	195,683	3,273,200	156,546	80.00%
May 2016	187,552	557,937	428,780	129,157	316,709	3,589,909	253,367	80.00%
June 2016	178,615	742,361	647,906	94,455	273,070	3,862,979	218,456	80.00%
July 2016	226,234	575,382	427,885	147,497	373,731	373,731	373,731	100.00%
August 2016	Est. 361,150	90,689	0	90,689	451,839	825,570	451,839	100.00%
September 2016	Est. 349,500	84,359	0	84,359	433,859	1,259,429	433,859	100.00%
October 2016	Est. 193,750	104,314	0	104,314	298,064	1,557,493	298,064	100.00%
November 2016	Est. 228,000	110,524	0	110,524	338,524	1,896,017	338,524	100.00%
December 2016	Est. 173,600	66,190	0	66,190	239,790	2,135,808	239,790	100.00%
January 2017	Est. 134,850	163,382	0	163,382	298,232	2,434,039	298,232	100.00%
February 2017	Est. 121,800	145,184	0	145,184	266,984	2,701,023	266,984	100.00%
March 2017	Est. 110,050	86,862	0	86,862	196,912	2,897,935	196,912	100.00%
April 2017	Est. 111,000	52,149	0	52,149	163,149	3,061,084	151,728	93.00%
May 2017	Est. 157,015	79,706	0	79,706	236,721	3,297,805	189,377	80.00%
June 2017	Est. 151,950	130,801	0	130,801	282,751	3,580,556	226,201	80.00%
July 2017	Est. 167,865	133,394	0	133,394	301,259	301,259	301,259	100.00%
August 2017	Est. 167,865	133,291	0	133,291	301,156	602,415	301,156	100.00%
September 2017	Est. 162,450	154,801	0	154,801	317,251	919,666	317,251	100.00%
October 2017	Est. 140,275	135,056	0	135,056	275,331	1,194,997	275,331	100.00%

Delmarva Power and Light Company
Comparison of Actual Gas Demand Costs to
Estimated Gas Demand Costs
For Delmarva Firm Gas Operations For the Period
For August 2015 Through July 2016

Description	Demand Expense		Monthly Variance	Cumulative Variance	Interest Expense (2)	Demand Costs True - Up
	Actual	Estimated (1)				
	\$	\$	\$	\$	\$	\$
August 2015	2,340,463	2,332,271	8,192	8,192	22	8,214
September 2015	2,292,978	2,282,077	10,901	19,093	52	10,953
October 2015	2,369,957	2,362,086	7,871	26,964	73	7,944
November 2015	2,330,516	2,334,849	(4,333)	22,631	61	(4,272)
December 2015	2,375,705	2,385,180	(9,475)	13,156	36	(9,439)
January 2016	2,371,385	2,385,180	(13,795)	(639)	(2)	(13,797)
February 2016	2,284,578	2,284,524	54	(585)	(2)	52
March 2016	2,362,218	2,361,176	1,042	457	1	1,043
April 2016	2,273,269	2,277,218	(3,949)	(3,492)	(10)	(3,959)
May 2016	2,319,120	2,327,549	(8,429)	(11,921)	(34)	(8,463)
June 2016	2,269,080	2,277,218	(8,138)	(20,059)	(58)	(8,196)
July 2016	2,319,399	2,327,549	(8,150)	(28,209)	(82)	(8,232)
Total	<u>27,908,668</u>	<u>27,936,877</u>	<u>(28,209)</u>		<u>57</u>	<u>(28,152)</u>

Notes:

- (1) Estimated Demand Expenses for the period August 2015 through July 2016 are based on projections from the August 2015 GCR filing.
- (2) Interest expense for August 2015 through July 2016 is based on the FERC Refund Interest Rate, as shown on Schedule DMR-6, applied to the cumulative monthly variance.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2016 Through October 2017
12 Months Estimated

<u>Billing Month</u>	<u>Firm Sales</u> (Mcf)	<u>Total Fuel Revenue</u> (<u>\$</u>)	<u>Total Gas Cost</u> (<u>\$</u>)	(Over) or <u>Under Recovery</u> Monthly (<u>\$</u>)	Deferred <u>Fuel Balance</u> YTD (<u>\$</u>)	% (Over) or Under <u>Recovery</u> (<u>%</u>)
Estimated Deferred Fuel Balance on October 31, 2016					1,435,982	
Estimated 2015/2016 GCR Period Interest Expense					(143,381)	
Estimated Deferred Fuel Balance on November 1, 2016					1,292,601	
November 2016	828,464	3,501,829	3,960,985	459,156	1,751,757	
December 2016	1,740,319	7,837,494	7,570,688	(266,806)	1,484,951	
January 2017	2,260,746	10,183,707	8,596,421	(1,587,286)	(102,335)	
February 2017	2,153,740	9,700,328	7,316,880	(2,383,448)	(2,485,783)	
March 2017	2,092,635	9,422,443	7,709,043	(1,713,400)	(4,199,183)	
April 2017	1,190,724	5,357,663	3,696,679	(1,660,984)	(5,860,167)	
May 2017	565,492	2,544,432	2,449,832	(94,600)	(5,954,767)	
June 2017	341,698	1,537,471	2,450,937	913,466	(5,041,301)	
July 2017	256,379	1,153,577	2,266,506	1,112,929	(3,928,372)	
August 2017	232,370	1,045,549	2,270,938	1,225,389	(2,702,983)	
September 2017	267,095	1,201,794	2,560,848	1,359,054	(1,343,929)	
October 2017	450,734	2,028,470	3,372,014	1,343,544	(385)	0.0%
Total	<u>12,380,396</u>	<u>55,514,757</u>	<u>54,221,771</u>	<u>(1,292,986)</u>		

Notes:

- (1) November 2016 through October 2017 Fuel Revenue is based on a GCI \$4.4995 /Mcf.
- (2) Estimated Gas Cost Expenses and WACCOGs are based on August 5, 2016 NYMEX closing prices.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2016 Through October 2017
12 Months Estimated

Description	2016		2017										Total
	November	December	January	February	March	April	May	June	July	August	September	October	
	\$	(\$)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Gas Supply Expense	4,571,491	8,102,539	9,231,153	7,880,480	8,206,130	4,069,444	2,840,011	2,864,754	2,749,714	2,758,355	3,057,575	3,871,223	60,202,869
Total Gas Commodity Expense	2,307,049	5,789,369	6,917,983	5,713,495	5,892,960	1,838,927	560,786	634,237	470,469	479,110	827,058	1,561,547	32,992,970
Commodity Credits:													
Off System Sales - Fuel Cost (1)	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Outs	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Use Gas	(1,540)	(3,246)	(4,185)	(3,897)	(3,862)	(4,118)	(2,572)	(1,559)	(1,425)	(847)	(790)	(890)	(28,931)
Total Commodity Fuel Credits	(1,540)	(3,246)	(4,185)	(3,897)	(3,862)	(4,118)	(2,572)	(1,559)	(1,425)	(847)	(790)	(890)	(28,931)
Total Firm Commodity Cost of Gas	2,305,509	5,786,123	6,913,798	5,709,598	5,889,098	1,834,809	558,194	632,678	469,044	478,263	826,268	1,560,657	32,964,039
Total Gas Demand Expense	2,264,442	2,313,170	2,313,170	2,166,985	2,313,170	2,230,517	2,279,245	2,230,517	2,279,245	2,279,245	2,230,517	2,309,676	27,209,899
Demand Credits (% Varies)													
Off-System Sales & Swaps	(110,524)	(66,190)	(163,382)	(145,184)	(86,862)	(48,498)	(63,765)	(104,641)	(133,394)	(133,291)	(154,801)	(135,056)	(1,345,588)
Capacity Release	(228,000)	(173,600)	(134,850)	(121,800)	(110,050)	(103,230)	(125,612)	(121,560)	(167,865)	(167,865)	(162,450)	(140,275)	(1,757,157)
Interruptible Gas Transportation	(63,452)	(58,290)	(77,546)	(57,070)	(60,601)	(51,294)	(47,764)	(43,183)	(36,304)	(47,329)	(39,450)	(63,895)	(646,178)
Subtotal	(401,976)	(298,080)	(375,778)	(324,054)	(257,513)	(203,022)	(237,141)	(269,384)	(337,563)	(348,485)	(356,701)	(339,226)	(3,748,923)
Demand Credits @ 100%													
Transition Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Pressure Support Fees	(134,141)	(151,301)	(179,449)	(174,569)	(162,281)	(112,124)	(96,957)	(90,401)	(90,162)	(95,112)	(95,652)	(100,074)	(1,482,223)
Balancing Charges	(72,849)	(79,224)	(75,320)	(61,080)	(73,431)	(53,501)	(53,509)	(52,473)	(54,058)	(42,973)	(43,584)	(59,019)	(721,021)
Unauthorized Overrun	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	(206,990)	(230,525)	(254,769)	(235,649)	(235,712)	(165,625)	(150,466)	(142,874)	(144,220)	(138,085)	(139,236)	(159,093)	(2,203,244)
Total Demand Credits	(608,966)	(528,605)	(630,547)	(559,703)	(493,225)	(368,647)	(387,607)	(412,258)	(481,783)	(486,570)	(495,937)	(498,319)	(5,952,167)
Total Firm Demand Expenses	1,655,476	1,784,565	1,682,623	1,607,282	1,819,945	1,861,870	1,891,638	1,818,259	1,797,462	1,792,675	1,734,580	1,811,357	21,257,732
Total Firm Gas Expenses	3,960,985	7,570,688	8,596,421	7,316,880	7,709,043	3,696,679	2,449,832	2,450,937	2,266,506	2,270,938	2,560,848	3,372,014	54,221,771

Note: (1) The Cost of Fuel for Off-System Sales and Cash-Outs have not been included in the estimated Commodity Expenses shown on this Schedule and therefore does not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2015 Through October 2016
9 Months Actual, 3 Months Updated Estimates

Billing Month	Firm Sales Mcf	Total Fuel Revenue (\$)	Total Gas Cost (\$)	(Over) or Under Recovery Monthly (\$)	Deferred Fuel Balance YTD (\$)	% (Over) or Under Recovery (%)
Deferred Fuel Balance on October 31, 2015					(4,736,729)	
2014/2015 GCR Period Interest Expense					(134,954)	
Adjusted Deferred Fuel Balance on November 1, 2015					(4,871,683)	
November 2015	641,772	2,964,828	3,970,731	1,005,903	(3,865,780)	
December 2015	1,158,419	4,591,797	4,984,680	392,883	(3,472,897)	
January 2016	1,735,993	6,856,349	8,053,389	1,197,040	(2,275,857)	
February 2016	2,205,802	8,708,737	6,933,690	(1,775,047)	(4,050,904)	
March 2016	1,744,222	6,886,660	5,070,140	(1,816,520)	(5,867,424)	
April 2016	1,047,058	4,135,976	4,181,159	45,183	(5,822,241)	
May 2016	637,337	2,514,249	3,191,019	676,770	(5,145,471)	
June 2016	364,866	1,428,491	2,624,916	1,196,425	(3,949,046)	
July 2016	252,679	996,442	2,237,019	1,240,577	(2,708,469)	
August 2016	224,990	887,968	2,285,607	1,397,639	(1,310,830)	
September 2016	263,710	1,040,784	2,380,896	1,340,112	29,282	
October 2016	375,929	1,483,678	2,890,378	1,406,700	1,435,982	2.9%
Total	10,652,777	42,495,959	48,803,625	6,307,665		

Notes: (1) November 2015 through October 2016 Fuel Revenue is based on a GCR of \$3.9467 per Mcf.
by Order No. 8869 in Docket No. 15-1355 dated April 5, 2016.
(2) Estimated Gas Cost Expenses and WACCOGs are based on August 5, 2016 NYMEX closing prices.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2015 Through October 2016
9 Months Actual, 3 Months Updated Estimates

Description	2015		January	February	March	April	2016		July	August	September	October	Total
	November	December					May	June					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Gas Supply Expense	4,586,953	5,345,043	8,677,641	7,737,957	5,724,412	4,692,801	3,949,523	3,564,634	3,109,966	2,809,238	2,871,821	3,268,930	56,338,919
Total Gas Commodity Expense	2,256,437	2,969,338	6,306,256	5,453,379	3,362,194	2,419,532	1,630,403	1,295,554	790,567	481,689	594,603	911,248	28,471,200
Fuel Credits:													
Off System Sales - Fuel Cost (1)	(161,234)	(219,097)	(293,990)	(447,530)	(449,088)	(273,810)	(428,780)	(647,906)	(427,885)	0	0	0	(3,349,320)
Cash Outs	(6,497)	0	(599)	(289)	(188)	(20)	(44)	(2,729)	(170)	0	0	0	(10,535)
Company Use Gas	(5,382)	17,962	(4,505)	(5,307)	(5,832)	(4,406)	(3,670)	(3,003)	(2,223)	(608)	(510)	(575)	(18,059)
Total Fuel Credits	(173,113)	(201,135)	(299,094)	(453,126)	(455,108)	(278,236)	(432,494)	(653,638)	(430,278)	(608)	(510)	(575)	(3,377,914)
Total Gas Commodity Expense	<u>2,083,323</u>	<u>2,768,203</u>	<u>6,007,162</u>	<u>5,000,253</u>	<u>2,907,086</u>	<u>2,141,296</u>	<u>1,197,909</u>	<u>641,916</u>	<u>360,289</u>	<u>481,081</u>	<u>594,093</u>	<u>910,673</u>	<u>25,093,286</u>
Total Gas Demand Expense	2,330,516	2,375,705	2,371,385	2,284,578	2,362,218	2,273,269	2,319,120	2,269,080	2,319,399	2,327,549	2,277,218	2,357,682	27,867,719
Demand Credits (% Varies)													
Off-System Sales & Swaps	(103,832)	(102,462)	(180,736)	(199,249)	(73,613)	(65,766)	(103,326)	(75,564)	(147,497)	(90,689)	(84,359)	(104,314)	(1,331,407)
Capacity Release	(255,548)	22,670	(67,148)	(91,230)	(50,612)	(90,780)	(150,042)	(142,892)	(226,234)	(361,150)	(349,500)	(193,750)	(1,956,216)
Interruptible Gas Transportation	(52,623)	(46,685)	(38,385)	(27,528)	(38,420)	(47,472)	(51,061)	(51,061)	(48,481)	(49,932)	(35,536)	(49,493)	(536,679)
Subtotal	(412,004)	(126,477)	(286,269)	(318,007)	(162,645)	(204,018)	(304,428)	(269,517)	(422,212)	(501,771)	(469,397)	(347,557)	(3,824,302)
Demand Credits @ 100 %													
Transition Charges	(1,302)	(1,302)	(1,193)	(1,302)	(224)	(224)	(224)	(224)	(224)	0	0	0	(6,217)
Pressure Support Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Balancing Charges	(29,803)	(31,449)	(37,898)	(30,048)	(36,296)	(29,164)	(21,358)	(16,340)	(20,233)	(21,252)	(21,018)	(30,420)	(325,076)
Unauthorized Overrun	0	0	0	(1,785)	0	0	0	0	0	0	0	0	(1,785)
Total Demand Credits	<u>(443,108)</u>	<u>(159,228)</u>	<u>(325,158)</u>	<u>(351,142)</u>	<u>(199,164)</u>	<u>(233,406)</u>	<u>(326,010)</u>	<u>(286,080)</u>	<u>(442,669)</u>	<u>(523,023)</u>	<u>(490,415)</u>	<u>(377,977)</u>	<u>(4,157,380)</u>
Total Firm Demand Expenses	<u>1,887,407</u>	<u>2,216,477</u>	<u>2,046,227</u>	<u>1,933,436</u>	<u>2,163,054</u>	<u>2,039,863</u>	<u>1,993,110</u>	<u>1,983,000</u>	<u>1,876,730</u>	<u>1,804,526</u>	<u>1,786,803</u>	<u>1,979,705</u>	<u>23,710,339</u>
Total Firm Gas Expenses	<u>3,970,731</u>	<u>4,984,680</u>	<u>8,053,389</u>	<u>6,933,690</u>	<u>5,070,140</u>	<u>4,181,159</u>	<u>3,191,019</u>	<u>2,624,916</u>	<u>2,237,019</u>	<u>2,285,607</u>	<u>2,380,896</u>	<u>2,890,378</u>	<u>48,803,625</u>

Note: (1) The Cost of Fuel for Off-System Sales and Cash-Outs have not been included in the estimated Commodity Expenses shown on this Schedule and therefore does not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For November 2014 Through October 2015
12 Months Actual

<u>Billing Month</u>	<u>Firm Sales</u> (Mcf)	<u>Total Fuel Revenue</u> (\\$)	<u>Total Gas Cost</u> (\\$)	<u>(Over) or Under Recovery Monthly</u> (\\$)	<u>Deferred Fuel Balance YTD</u> (\\$)	<u>% (Over) or Under Recovery</u> (%)
Deferred Fuel Balance on October 31, 2014					432,137	
FPS True-Up					0	
2013/2014 GCR Period Interest Expense					(8,718)	
Deferred Fuel Balance on November 1, 2014					<u>423,419</u>	
November 2014	701,812	4,104,277	7,749,381	3,645,104	4,068,523	
December 2014	1,626,985	8,709,525	9,616,442	906,917	4,975,440	
January 2015	2,629,497	14,050,397	11,254,965	(2,795,432)	2,180,008	
February 2015	2,622,255	13,997,378	12,595,411	(1,401,967)	778,041	
March 2015	2,609,371	13,938,129	8,702,571	(5,235,558)	(4,457,517)	
April 2015	1,311,709	7,008,957	4,383,454	(2,625,503)	(7,083,020)	
May 2015	529,108	2,835,615	2,888,129	52,514	(7,030,506)	
June 2015	296,327	1,602,913	2,584,310	981,397	(6,049,109)	
July 2015	274,296	4,242,870	2,424,375	(1,818,495)	(7,867,604)	
August 2015	232,754	1,258,932	2,180,629	921,697	(6,945,907)	
September 2015	230,633	1,251,572	2,439,965	1,188,393	(5,757,514)	
October 2015	<u>389,607</u>	<u>2,101,500</u>	<u>3,122,285</u>	<u>1,020,785</u>	<u>(4,736,729)</u>	<u>-6.8%</u>
Total	<u>13,454,354</u>	<u>75,102,065</u>	<u>69,941,915</u>	<u>(5,160,148)</u>		

Notes:

- (1) November 1, 2014 through October 31, 2015 Fuel Revenue is based on GCR of \$5.3563 Mcf as approved by 8767 in Docket No. 14-0295F dated August 4, 2015.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For November 2014 Through October 2015
12 Months Actual

Description	2014		2015										Total
	November	December	January	February	March	April	May	June	July	August	September	October	
	\$	(\$)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Gas Supply Expense	8,353,122	10,148,724	12,357,875	13,761,845	9,549,490	5,073,487	3,771,025	3,578,223	3,557,836	3,133,181	3,199,872	3,650,160	90,336,641
Total Gas Commodity Expense	6,035,591	7,792,308	10,007,188	11,541,999	7,177,426	2,780,892	1,431,970	1,282,111	1,214,023	792,718	905,894	1,486,203	52,448,202
Commodity Credits:													
Off System Sales - Fuel Cost	(342,110)	(358,623)	(557,933)	(537,013)	(426,867)	(272,154)	(386,993)	(552,824)	(588,561)	(318,522)	(307,841)	(135,967)	(4,765,407)
Cash Out Sales	(15,037)	(4,942)	(1,388)	(4,329)	(1,052)	(1,836)	(6)	(108)	(1,262)	(78,718)	78,410	(4,138)	(36,497)
Company Use Gas	(853)	(2,339)	(10,174)	(9,000)	(25,961)	(28,432)	(10,336)	(18,588)	42,957	(2,882)	(2,282)	(2,670)	(66,419)
Total Commodity Fuel Credits	(357,800)	(365,904)	(569,495)	(560,403)	(453,880)	(300,422)	(377,335)	(569,610)	(546,866)	(400,122)	(233,713)	(142,775)	(4,868,324)
Total Firm Commodity Cost of Gas	5,677,790	7,426,404	9,437,693	10,981,596	6,723,546	2,480,470	1,054,635	712,501	667,158	392,596	672,181	1,343,428	47,570,878
Total Gas Demand Expense	2,317,532	2,356,416	2,350,508	2,219,946	2,371,064	2,292,595	2,339,056	2,294,113	2,343,813	2,340,463	2,292,978	2,369,957	27,888,439
Demand Credits (% Varies)													
Off-System Sales & Sweeps	(62,561)	(33,706)	(422,105)	(437,108)	(249,396)	(164,241)	(270,333)	(198,335)	(312,272)	(216,759)	(214,592)	(179,713)	(2,759,120)
Capacity Release	(93,231)	(58,598)	(28,000)	(19,443)	(65,957)	(153,274)	(166,728)	(154,968)	(205,249)	(263,098)	(249,730)	(318,940)	(1,777,106)
Interruptible Gas Transportation	(48,812)	(39,257)	(27,493)	(21,497)	(38,730)	(46,760)	(45,891)	(48,413)	(43,951)	(48,139)	(46,193)	(61,578)	(516,714)
Subtotal	(204,604)	(131,561)	(477,598)	(478,048)	(354,083)	(364,274)	(482,952)	(399,716)	(561,472)	(527,996)	(510,515)	(560,131)	(5,052,940)
Demand Credits @ 100%													
Transition Charges	(1,323)	6,583	451	451	(518)	(518)	(518)	(1,020)	(1,020)	(1,244)	(1,244)	(1,302)	(1,224)
Pressure Support Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Balancing Charges	(39,574)	(41,410)	(35,557)	(30,215)	(36,805)	(24,819)	(22,591)	(21,567)	(24,103)	(23,190)	(13,435)	(29,667)	(342,434)
Unauthorized Overrun	(440)	0	(20,510)	(108,220)	(833)	0	0	0	0	0	0	0	(129,803)
Subtotal	(41,337)	(34,827)	(55,616)	(137,984)	(37,957)	(25,337)	(22,610)	(22,567)	(25,123)	(24,434)	(14,679)	(30,969)	(473,462)
Total Demand Credits	(245,941)	(166,379)	(533,215)	(616,032)	(392,039)	(389,611)	(505,562)	(422,303)	(586,596)	(552,430)	(525,194)	(591,100)	(5,526,402)
Total Firm Demand Expenses	2,071,590	2,190,037	1,817,291	1,603,915	1,979,025	1,902,984	1,833,494	1,871,809	1,757,217	1,788,033	1,767,784	1,778,857	22,362,037
Total Firm Gas Expenses	7,749,381	9,616,442	11,254,985	12,585,511	8,702,571	4,383,454	2,888,129	2,584,310	2,424,375	2,180,629	2,439,065	3,122,285	69,941,915

Delmarva Power & Light Company
Interest Calculation
For November 2015 Through October 2016
9 Months Actual, 3 Months Updated Estimates

Month	Beginning Balance (\$)	Average Balance (\$)	Average Balance (\$)	Average Balance Within Band (\$)	Interest (1) (2) (\$)	Interest (1) (2)		Total Interest (\$)
						Excess Balance (\$)	Interest (\$)	
November 2015	(4,871,683)	(3,865,780)	(4,368,732)	(2,196,163)	(5,948)	(2,172,569)	(9,505)	(15,453)
December 2015	(3,865,780)	(3,472,897)	(3,669,338)	(2,196,163)	(5,948)	(1,473,175)	(6,445)	(12,393)
January 2016	(3,472,897)	(2,275,857)	(2,874,377)	(2,196,163)	(5,948)	(678,214)	(2,967)	(8,915)
February 2016	(2,275,857)	(4,050,904)	(3,163,381)	(2,196,163)	(5,948)	(967,218)	(4,232)	(10,180)
March 2016	(4,050,904)	(5,867,424)	(4,959,164)	(2,196,163)	(5,948)	(2,763,001)	(12,088)	(18,036)
April 2016	(5,867,424)	(5,822,241)	(5,844,833)	(2,196,163)	(6,332)	(3,648,670)	(16,601)	(22,933)
May 2016	(5,822,241)	(5,145,473)	(5,483,857)	(2,196,163)	(6,332)	(3,287,694)	(14,959)	(21,291)
June 2016	(5,145,473)	(3,949,046)	(4,547,259)	(2,196,163)	(6,332)	(2,351,096)	(10,697)	(17,029)
July 2016	(3,949,046)	(2,708,469)	(3,328,757)	(2,196,163)	(6,405)	(1,132,594)	(5,153)	(11,558)
August 2016	(2,708,469)	(1,310,830)	(2,009,650)	(2,009,650)	(5,861)	0	0	(5,861)
September 2016	(1,310,830)	29,282	(640,774)	(640,774)	(1,869)	0	0	(1,869)
October 2016	29,282	1,435,982	732,632	732,632	2,137	0	0	2,137
								<u>(143,381)</u>
Total Interest From November 2015 to October 2016								<u>(143,381)</u>

Notes:

- (1) Average deferred fuel balance interest band is 4 - 1/2% . \$48,803,625 or \$2,196,163 .
(2) Effective March 1, 1999, the interest rate on both over- and under-recoveries is the FERC Natural Gas Interest Factor, which is as follows:

November 2015 through December 2015	3.25%
January 2016 through March 2016	3.25%
April 2016 through June 2016	3.46%
July 2016 through September 2016	3.50%
October 2016	3.50%

Delmarva Power & Light Company

Firm Sales

<u>Description</u>	Twelve Months Estimated November 2016 Through October 2017 (Mcf)	9 Months Actual 3 Months Estimated November 2015 Through October 2016 (Mcf)	Twelve Months Actual November 2014 Through October 2015 (Mcf)
November	828,464	641,772	701,812
December	1,740,319	1,158,419	1,626,985
January	2,260,746	1,735,993	2,629,497
February	2,153,740	2,205,802	2,622,255
March	2,092,635	1,744,222	2,609,371
April	1,190,724	1,047,058	1,311,709
May	565,492	637,337	529,108
June	341,698	364,866	296,327
July	256,379	252,679	274,296
August	232,370	224,990	232,754
September	267,095	263,710	230,633
October	450,734	375,929	389,607
Total	<u>12,380,396</u>	<u>10,652,777</u>	<u>13,454,354</u>

Delmarva Power & Light Company
Gas Costs

Description	Twelve Months Estimated November 2016 Through October 2017 (\$)	9 Months Actual 3 Months Estimated November 2015 Through October 2016 (\$)	Twelve Months Actual November 2014 Through October 2015 (\$)
Total Gas Supply Expenses	60,202,869	56,338,919	80,336,641
<u>Expense Credits</u>			
Off System Sales - Fuel Cost (1)	0	(3,349,320)	(4,765,407)
Cash Outs	0	(10,535)	(36,497)
Company Use Gas	(28,931)	(18,059)	(66,419)
Off System Sales / Swaps	(1,345,588)	(1,331,407)	(2,759,120)
Capacity Release	(1,757,157)	(1,956,216)	(1,777,106)
Interruptible Gas Transportation	(646,178)	(536,679)	(516,714)
Transition Charges	0	(6,217)	(1,224)
Pressure Support Fees	(1,482,223)	0	0
Balancing Charges	(721,021)	(325,076)	(342,434)
Unauthorized Overrun	0	(1,785)	(129,803)
Total	<u>54,221,771</u>	<u>48,803,625</u>	<u>69,941,915</u>

Notes:

- (1) The fuel costs associated with Off-System sales are not included in Estimated Total Gas Supply Expense and do not require removal.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For August 2015 Through July 2016
12 Months Actual

<u>Billing Month</u>	<u>Firm Sales</u> Mcf	<u>Total Fuel Revenue</u> (\$)	<u>Total Gas Cost</u> (\$)	<u>(Over) or Under Recovery Monthly</u> (\$)	<u>Deferred Fuel Balance YTD</u> (\$)
Deferred Fuel Balance on July 31, 2015					(7,867,604)
August 2015	232,754	1,258,932	2,180,629	921,697	(6,945,907)
September 2015	230,633	1,251,572	2,439,965	1,188,393	(5,757,514)
October 2015	389,607	2,101,500	3,122,285	1,020,785	(4,736,729)
Interest Expense (November 2014 through October 2015)					(134,954)
Adjusted Balance					(4,871,683)
November 2015	641,772	2,964,828	3,970,731	1,005,903	(3,865,781)
December 2015	1,158,419	4,591,797	4,984,680	392,883	(3,472,898)
January 2016	1,735,993	6,856,349	8,053,389	1,197,040	(2,275,858)
February 2016	2,205,802	8,708,737	6,933,690	(1,775,047)	(4,050,905)
March 2016	1,744,222	6,886,660	5,070,140	(1,816,520)	(5,867,424)
April 2016	1,047,058	4,135,976	4,181,159	45,183	(5,822,241)
May 2016	637,337	2,514,249	3,191,019	676,770	(5,145,471)
June 2016	364,866	1,428,491	2,624,916	1,196,425	(3,949,046)
July 2016	252,679	996,442	2,237,019	1,240,577	(2,708,469)
Total	10,641,142	43,695,533	48,989,622	5,294,089	

Notes:

- (1) August 2015 through October 2015 Fuel Revenue is based on GCR of \$5.3563 per Mcf as approved by Order No. 8767 in Docket No. 14-0295F dated August 4, 2015.
- (2) November 2015 through July 2016 Fuel Revenue is based on GCR of \$3.9467 per Mcf as approved by Order No. 8869 in Docket No. 15-1355 dated April 5, 2016.

Delmarva Power & Light Company
Development of Annual Commodity and Demand Expenses
For August 2015 Through July 2016
12 Months Actual

Description	2015					2016							Total
	August	September	October	November	December	January	February	March	April	May	June	July	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Gas Supply Expense	3,133,181	(\$)	3,856,160	4,586,953	5,345,043	8,677,641	7,737,957	5,724,412	4,692,801	3,949,523	3,564,634	3,109,966	57,577,143
Total Gas Commodity Expense	792,718	905,894	1,486,203	2,256,437	2,969,338	6,306,256	5,453,379	3,362,194	2,419,532	1,630,403	1,295,554	790,567	29,668,475
Fuel Credits:													
Off System Sales - Fuel Cost	(318,522)	(307,841)	(135,967)	(161,234)	(219,097)	(293,990)	(447,530)	(449,088)	(273,810)	(428,780)	(647,906)	(427,885)	(4,111,650)
Cash Outs	(78,718)	76,410	(4,138)	(6,497)	0	(599)	(289)	(188)	(20)	(44)	(2,729)	(170)	(16,982)
Company Use Gas	(2,882)	(2,282)	(2,670)	(5,382)	17,962	(4,505)	(5,307)	(5,832)	(4,406)	(3,670)	(3,003)	(2,223)	(24,199)
Total Fuel Credits	(400,122)	(233,713)	(142,775)	(173,113)	(201,135)	(299,094)	(453,126)	(455,108)	(278,236)	(432,494)	(653,638)	(430,278)	(4,152,831)
Total Gas Commodity Expense	392,596	672,181	1,343,428	2,083,323	2,768,203	6,007,162	5,000,253	2,907,086	2,141,296	1,197,909	641,916	360,289	25,515,643
Total Gas Demand Expense	2,340,463	2,292,978	2,369,957	2,330,516	2,375,705	2,371,385	2,284,578	2,362,218	2,273,269	2,319,120	2,269,080	2,319,399	27,908,668
Demand Credits @ 80%													
Off-System Sales & Swaps	(216,759)	(214,592)	(179,713)	(103,832)	(102,462)	(180,736)	(199,249)	(73,613)	(65,766)	(103,326)	(75,564)	(147,497)	(1,663,109)
Capacity Release	(263,098)	(249,730)	(318,840)	(255,548)	22,670	(67,148)	(91,230)	(50,612)	(90,780)	(150,042)	(142,892)	(226,234)	(1,883,484)
Interruptible Gas Transportation	(48,139)	(46,193)	(61,578)	(52,623)	(46,685)	(38,385)	(27,528)	(38,420)	(47,472)	(51,061)	(51,061)	(48,481)	(557,626)
Subtotal	(527,996)	(510,515)	(560,131)	(412,004)	(126,477)	(286,269)	(318,007)	(162,645)	(204,018)	(304,428)	(269,517)	(422,212)	(4,104,219)
Demand Credits @ 100 %													
Transition Charges	(1,244)	(1,244)	(1,302)	(1,302)	(1,302)	(1,193)	(1,302)	(224)	(224)	(224)	(224)	(224)	(10,007)
Pressure Support Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Balancing Charges	(23,190)	(13,435)	(29,667)	(29,803)	(31,449)	(37,696)	(30,048)	(36,296)	(29,164)	(21,358)	(16,340)	(20,233)	(318,678)
Unauthorized Overrun	0	0	0	0	0	0	(1,785)	0	0	0	0	0	(1,785)
Total Demand Credits	(552,430)	(525,194)	(591,100)	(443,108)	(159,228)	(325,158)	(351,142)	(199,164)	(233,406)	(326,010)	(286,080)	(442,669)	(4,434,689)
Total Firm Demand Expenses	1,788,033	1,767,784	1,778,857	1,887,407	2,216,477	2,046,227	1,933,436	2,163,054	2,039,863	1,993,110	1,983,000	1,876,730	23,473,979
Total Firm Gas Expenses	2,180,629	2,439,965	3,122,285	3,970,731	4,984,680	8,053,389	6,933,690	5,070,140	4,181,159	3,191,019	2,624,916	2,237,019	48,989,625

**Delmarva Power & Light Company
Derivation of Transportation Pressure Support Fee
Proposed to be Effective November 2016**

Services Required For Swing & System Reliability

	<u>2016/2017 Projected Annual Cost</u>
Eastern Shore T-1	\$ 66,456
Eastern Shore FT	\$ 4,031,520
Estimated Upstream Costs of Pressure Support	<u>\$ 4,097,976</u>

2014/2015 System Throughput (MCF)

GCR Customers (PSF does not apply)	13,454,354	63.83%
LVG-QFCP-RC	1,654,045	7.85%
Firm Transportation	5,970,557	28.32%
Total Requirements	<u>21,078,956</u>	<u>100.00%</u>

PSF Allocation Factor	36%
GCR Allocation Factor	64%
Total	<u>100%</u>

Allocation of Pressure Support Costs

Firm Transportation and LVG-QFCP-RC (PSF) Customers	\$ 1,482,238
Gas Cost Rate Customers	\$ 2,615,738
Total	<u>\$ 4,097,976</u>

Firm Transportation and LVG-QFCP-RC (PSF) Customers Allocated Costs	\$ 1,482,238
Firm Transportation and LVG-QFCP-RC (PSF) Customers Volumes	7,624,602 MCF

Proposed Pressure Support Fee	<u>\$0.1944 per MCF</u>
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Delmarva Power & Light Company
Derivation of Transportation Balancing Charge
Proposed to be Effective November 2016

	2016/2017 Projected Annual Cost	2014/2015 Actual Annual Balancing Requirements
	(\$)	(MCF)
<u>Services Required For Swing & Storage Services</u>		
Transco GSS	\$1,493,001	3,303,003
Columbia FSS and SST	\$910,206	800,822
Estimated Upstream Costs of Balancing	<u>\$2,403,207</u>	<u>4,103,825</u>
<u>Actual Balancing Volumes from the 2014/2015 GCR Period (MCF)</u>		
Other Contract Customers	207,339	16.96%
LVG-QFCP-RC	35,342	2.89%
Interruptible Transportation	103,563	8.47%
Firm Transportation	876,448	71.68%
Total Balancing Service Requirements (BSC)	<u>1,222,692</u>	<u>100.00%</u>
Total Balancing Service Requirements (BSC) (a)	1,222,692 MCF	
2014/2015 Annual Balancing Requirements for All Customers (b)	<u>4,103,825 MCF</u>	
BSC Allocation Factor (a) / (b)	30%	
GCR Allocation Factor (1-BSC Allocation Factor)	70%	
BSC Cost (\$2,403,207 x 30%)	\$720,962	
Total Balancing Service Requirements (BSC)	<u>1,222,692 MCF</u>	
Proposed Balancing Charge	<u>\$0.5897 per MCF</u>	

1 **DELMARVA POWER & LIGHT COMPANY**
2 **TESTIMONY OF ROBERT W. BRIELMAIER**
3 **BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION**
4 **CONCERNING THE NOVEMBER 2016 THROUGH OCTOBER 2017**
5 **GAS COST RATE**
6 **PSC DOCKET NO. 16 - ____**

7
8 **1. Q: Please state your name, position and business address.**

9 **A:** Robert W. Brielmaier, Manager of Gas System Control and Plant Operations,
10 Delmarva Power & Light Company (Delmarva or the Company). My business
11 address is 630 Martin Luther King Boulevard, PO Box 231, Wilmington, Delaware
12 19899-0231.

13 **2. Q: What are your responsibilities in your role as Manager of Gas Operations?**

14 **A:** As the Manager of Gas System Control and Plant Operations, I oversee the day-
15 to-day delivery of natural gas to Delmarva's customers. I am responsible for the
16 operation of Delmarva's Gas Operations Control Room, its Liquefied Natural Gas
17 Plant (LNG) and its gate and regulator stations. I am also responsible for related gas
18 business, regulatory and system planning activities, including relationships with
19 Delmarva's pipeline suppliers.

20 **3. Q: What is your educational and professional background and experience?**

21 **A:** I am a graduate of Rutgers University with a Bachelor's Degree in Business
22 Administration. I have been employed by Delmarva since 1982, serving in various
23 supervisory and management capacities including Gas Customer Service, Gas
24 Engineering, Gas Construction and Maintenance, and Gas Operations.

1 **4. Q: Have you previously testified before the Delaware Public Service Commission?**

2 **A:** Yes. I have provided testimony before the Delaware Public Service Commission
3 (PSC) in the Annual Gas Cost Rate cases from 2010 through the present case. I also
4 provided testimony in Docket 15-0671 on Gas Balancing Fees, and in Docket 11-362
5 concerning new tariff provisions for Qualified Fuel Cell Providers.

6 **5. Q: What is the purpose of your testimony?**

7 **A:** The purpose of my testimony is to support Delmarva's Application for revisions
8 to the Gas Cost Rate (GCR) proposed to be effective during the period November
9 2016 through October 2017. My testimony will address the overall development of
10 Delmarva's gas sales, transportation, and sendout volume forecasts, and the lost and
11 unaccounted for gas percentage applicable to Delmarva's firm bundled sales and
12 transportation customers utilized in the calculation of the proposed GCR. My
13 testimony will also address certain terms of the Settlement Agreement in the 2015-16
14 Gas Cost Rate Application, PSC Docket No. 15-1355, approved by Order No. 8869.
15 [REDACTED], Protecting
16 Customers from Stranded Costs Due to Customer Switching, Capacity Reserve Margin
17 and Additional Upstream Pipeline Capacity. I will also address the Company's annual
18 Natural Gas Communications Plan and Budget Billing. My testimony was prepared
19 by me or under my direct supervision and control. The source documents for my
20 testimony are Company records. I also rely upon my personal knowledge and
21 experience.
22
23

1 **6. Q: What level of sales does Delmarva forecast for the 2016-17 GCR period?**

2 **A:** As shown on Schedule RWB-1, for the 2016-17 GCR period, Delmarva forecasts
3 Firm Bundled Sales of 12,380,396 MCF. Firm Transportation volumes are forecast at
4 5,872,291, resulting in total Firm Throughput of 18,252,687 MCF.

5 **7. Q: Please summarize the comparison between the current forecast results and**
6 **the forecast filed with the Commission in Docket 15-1355.**

7 **A:** As shown on Schedule RWB-1, forecasted Firm Bundled Sales decreased by
8 3.7%, Firm Transportation decreased by 7.3% and Firm Throughput decreased by
9 4.8%. The decrease in the Firm Bundled Sales forecast is primarily attributable to a
10 3.9% decrease in Residential Space Heating (RSH) sales, a 5.9% decrease in
11 Commercial (GG) sales, and a 7.8% decrease in Medium Volume Gas (MVG) sales.
12 The decrease in the Firm Transportation Sales forecast is attributable to a 13.9%
13 decrease in General Volume Firm Transportation (GVFT) sales, a 7.2% decrease in
14 Medium Volume Firm Transportation sales, and a 6.1% decrease in Large Volume
15 Firm Transportation (LVFT) sales. Compared to last year's GCR forecast, the
16 following service customer classes reflect increased sales for the upcoming GCR
17 period: RES (+13.1%), LVG (+ 100%), MVIT (+9.2%), and LVIT (+8.6%). The
18 increase in LVG forecasted sales is entirely due to the addition of a single customer.

19 During the time period August 2015 through July 2016, ten (10) Large
20 Volume or Transportation customer changes occurred. These included changes to
21 customer maximum daily quantities (MDQ), facility closings or additions, and rate
22 class changes. Six (6) of the ten (10) changes were increases to customer MDQ's.
23 There was negligible change in the customer counts for the various Large/Medium

Volume Sales and Transportation customer rate classes. The totals by class are shown below:

Large Customer Counts by Rate Class

	MVG	LVG		GVFT	MVFT	LVFT		MVIT	LVIT
July 2016	14	1		91	43	14		5	4
July 2015	14	0		91	43	15		5	4
Change	0	1		0	0	-1		0	0

8. Q: Please describe the forecast methodology utilized this year.

A: The forecast continues to use the methodology utilized in prior years, specifically, multi-variant econometric models for the projection of sales and customer growth for the Residential, Residential Space Heat, and General Gas rate customers. These rate classes generally are designated as the “small” customer classes. The volumes for MVG, LVG and GL were projected deterministically, on a customer by customer basis. Monthly sales patterns for specific customers were adjusted to reflect any recent customer information. The adjustments made include contract, production, or maintenance schedule changes, load additions or subtractions, or other adjustments particular to each customer’s activity. Monthly sales in the Firm and Interruptible Gas Transportation classes respectively (“FT”, “IT”) were developed in the same manner.

9. Q: How was normal weather defined?

A: The 30-year average of monthly Heating Degree Days (HDD) on a 65 degree Fahrenheit basis was used consistent with Commission Order No. 6327 in PSC Docket No. 03-127. The HDD history is based on NOAA weather data collected at

1 the "Wilmington" site located at New Castle County Airport, New Castle, Delaware.
2 The historic methods of using normal temperature data to estimate sales continue in
3 use for this forecast.

4 **10. Q: Please describe the development of the system's gas requirements forecast.**

5 A: Firm sendout is based upon (a) a monthly forecast of firm billed sales,
6 adjusted for (b) company use, (c) a 2.4% factor for lost and unaccounted for gas and
7 (d) cycle billing effect. Schedule JBJ-3, Lines 2, 3 and 4, presents the firm sales,
8 company use, lost and unaccounted for and cycle billing estimates.

9 **11. Q: Does the applied loss factor represent a change from the 2015-16 GCR filing?**

10 A. Yes, the loss factor will be decreased slightly from the current 2.5% factor to
11 2.4%. [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 **12. Q: Has there been any change to the methodology used by the Company to calculate**
15 **the loss factor in this filing?**

16 A. No, the methodology used this year remains the same as the one used in the
17 previous two GCR filings.

18 **13. Q: Did Delmarva incur any pipeline penalties during the period August 2015**
19 **through July 2016?**

20 A. No.
21
22

1 14. Q: [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 15. Q: As part of the Settlement Agreement in PSC Docket No. 15-1355, did the
9 Company agree to address whether additional or modified measures are
10 required to protect GCR customers from stranded costs associated with
11 customer migration from sales to transportation service?

12 A. Yes. Pursuant to Paragraph 13 of the Settlement Agreement in PSC Docket
13 No. 15-355, the Company agreed to address whether additional or modified measures
14 are required to protect GCR customers from stranded costs associated with customer
15 migration from sales to transportation service, including consideration of a Staff/DPA
16 recommendation for modification of Section U of the Company's Gas Tariff
17 pertaining to transition charges.

18 16. Q: Has the Company determined whether these additional or modified measures
19 are required?

20 A. Yes, the Company has further reviewed the issue of protecting GCR
21 Customers from stranded costs associated with customer migration to Transportation
22 Service, including consideration of Staff/DPA's recommendation for a modification
23 to Section U of the Company's Gas Tariff. The Company has determined that such

1 additional or modified measures are not required at this time. In making this
2 decision, the Company's position is predicated upon the limited number of customers
3 that are prone to switching between service classifications and potentially stranding
4 capacity. Schedule RWB-3 shows the current medium to large commercial/industrial
5 customer mix by rate class. There is only one Large Volume Gas (LVG) customer
6 who is unlikely to switch to Transportation Service in the near term since this
7 customer only began Sales Service in July 2016. Also, as shown on RWB-3, there
8 are only fourteen (14) Medium Volume Gas customers currently on the system. Of
9 these fourteen (14) customers, eleven (11) use natural gas primarily for heating and
10 are, therefore, less prone to switching based on their load profile. In addition, the total
11 aggregate demand, measured in MDQ, for the LVG and MVG customers is only
12 4,158 MCF which represents just 2.3% of the projected peak day Sales Service MDQ
13 of 177,637 MCFD for the Winter of 2016-17. Based on these factors, the Company
14 has determined that the likelihood of these customers stranding capacity is remote;
15 therefore, additional measures to protect against stranded costs are not necessary.

16 **17. Q: Are there any additional factors which could mitigate the potential for stranded**
17 **costs being incurred by GCR Customers due to migration to Transportation**
18 **Service?**

19 A. Yes. The Company's Reserve Margin is projected to be just 5,848 MCF or 3.29% for
20 the Winter 2016-17. The Company's latest Strategic Natural Gas Supply Plan, using
21 modest growth assumptions between 0.5% and 0.7% annually for the period between
22 2016 and the Winter of 2020-21, projects that the Reserve Margin will drop to less
23 than 1% (0.86%) in the Winter of 2020-21. It is, therefore, likely that the Company

1 will need to consider adding upstream capacity to serve its GCR Customers in the
2 2017-2018 GCR Year. To the extent that some customers might switch to
3 Transportation Service in the period between now and 2021, this would benefit GCR
4 customers as they would not have to bear the cost of such additional upstream
5 pipeline capacity at a price well in excess of the embedded cost of existing capacity.
6 Recent estimates from upstream suppliers for proposed and actual projects have been
7 more than double the Company's current embedded cost of \$0.36/DT. Given this
8 significant capacity cost differential, even small increments of "stranded" capacity
9 could actually prove to be beneficial to GCR customers. In fact, GCR Customers
10 have already derived at least some benefit from Sales Service Customers switching to
11 Transportation on the Company's gas system over the last ten (10) years. Schedule
12 RWB-4 shows customer migration from Sales to Transportation Service over that
13 period whereby GCR Customers have avoided incurring demand charges that would
14 have resulted from the purchase of additional upstream capacity, or peak day service,
15 absent such migration. Schedule RWB-4 also shows that customer migration has
16 slowed significantly in the last few years. Having already addressed the potential for
17 customer switching from the large and medium volume sales service in Question 16
18 above, it is important to note that as shown in Schedule RWB-4, only thirteen (13)
19 General Sales Service (GG) customers have switched to Transportation in the past
20 four (4) years. The total MDQ of those customers was only 1,031 MCF. Given this
21 recent pattern, and the imposition of the higher Balancing Charges and the new
22 Pressure Support Fee effective November 1, 2016, the Company does not foresee

1 significant risk of stranded capacity from GG customers switching to Transportation
2 Service.

3 **18. Q: What is the Company's position with respect to the recommended**
4 **modification to the Company's Gas Tariff Leaf 59, Section U, Transition Charge, as**
5 **proposed in Paragraph 13 of the Settlement Agreement in Docket No. 15-355?**

6 A. As noted, the Company's Reserve Margin will drop from 3.29% in the Winter
7 of 2016-17 to less than 1% by the Winter of 2020-21. With such a shrinking Reserve
8 Margin, and recognizing that lead times associated with the construction of new
9 pipelines to provide firm upstream capacity are between two (2) and five (5) years, it
10 is likely that the Company will need to address the addition of new firm capacity in
11 its 2017-18 GCR Application. It is also important to recognize that capacity from new
12 pipeline projects is not available on any regular basis, and the increment of capacity
13 the Company would seek to add is unlikely, in and of itself, to drive a pipeline project
14 by any of the Company's upstream suppliers. For these reasons, and based upon the
15 cost differential between the Company's embedded cost of capacity and the price for
16 new capacity, the Company believes it is prudent to retain any stranded capacity for
17 future use, to the benefit of GCR customers, and to continue to offset that cost by
18 Capacity Release or Off System Sales, where possible.

19 **19. Q: As part of the Settlement Agreement in PSC Docket 15-1355, did the Company**
20 **also agree to conditions regarding the acquisition of additional capacity?**

21 A. Yes. Pursuant to Paragraph 14 of the Settlement Agreement in PSC Docket
22 15-1355, the Company agreed that until the Commission issues an order pertaining to
23 this GCR Application, for purposes of determining whether there is sufficient gas

1 supply and transmission capability to permit a non-core or transportation service
2 customer to return to sales service, a reduction in the Company's' projected capacity
3 reserve margin to 2% and less would constitute a finding that there was inadequate
4 capacity available to permit non-core or Transportation customers to return to Sales
5 Service. At this stage of preparing this Gas Cost Rate filing, and the annual Strategic
6 Natural Gas Supply Plan to be filed on September 30, 2016, there is no indication that
7 there will be any significant change in the Company's Capacity Reserve Margin.

8 **20. Q: As part of the Settlement in PSC Docket No. 15-1355, did the Company also**
9 **agree to conditions for obtaining additional upstream pipeline capacity?**

10 **A.** Yes. Pursuant to Paragraph No. 15 of the Settlement Agreement in PSC
11 Docket No. 15-1355, approved by Order No. 8869, the Company agreed that until an
12 order is issued by the Commission setting forth its findings pertaining to this GCR
13 Application, it would not contract for additional upstream pipeline capacity, or
14 participate in a binding open season for such long term capacity, unless Staff and the
15 DPA agreed in advance that such capacity addition was reasonable. In addition, the
16 Company agreed to solicit and evaluate city-gate delivered peaking services when
17 making decisions for future increases in pipeline firm capacity.

18 **21. Q: Please discuss the Company's Annual Customer Communication Plan?**

19 **A:** The Company has updated its annual Natural Gas Communications Plan
20 (Plan) to be shared with Staff and the DPA prior to the beginning of the heating
21 season. The Plan serves as an outline of actions the Company will take to inform
22 customers about the GCR and to educate them as to how to take control of their
23 energy use, including ways to save energy and money. Activities in the Plan include

1 various forms of communications and customer education such as website messaging,
2 customer newsletter messaging, community speakers bureau meetings, on-line home
3 energy audit tools ("My Account"), and employee education programs. The Plan also
4 includes a timetable for meeting with various interest groups who serve the needs of
5 people who are most affected by the cost of energy. In addition to the
6 aforementioned, the Plan also discusses activities planned to continue the promotion
7 the Company's Budget Billing Program (Program).

8 **22. Q: Please discuss the status of the Program.**

9 A: As of July 31, 2016, the Company had 128,639 gas customers of which
10 14,542, or approximately 11%, were enrolled in the Program. The Plan includes a
11 series of activities designed to raise customers' awareness of the Program. Activities
12 in the Plan include bill inserts which contain information about budget billing and
13 how to enroll. Budget billing information can be found on delmarva.com. This
14 information educates customers about the Program and enables customers to enroll
15 on-line or provides direction to contact Customer Care for assistance. Winter energy
16 conservation information will also be included in the customer newsletter along with
17 information about how to sign up for the Program. Customers will also be
18 encouraged to learn more about budget billing at community meetings and various
19 Speakers Bureau events throughout the Fall and Winter heating season as a way to
20 help manage their energy costs by spreading the costs of higher Winter usage over a
21 12 month period. Our call center representatives are also trained to offer budget
22 billing to customers who contact the call center with concerns about the amount of

1 seasonal bills. There is also an “on-hold” message promoting budget billing which
2 plays while a customer is on-hold with a customer care representative.

3 The Company continues to support/sponsor such programs as the Good
4 Neighbor Energy Fund. The Company’s Customer Service Department also
5 continues to offer our customers flexible payment arrangements to help them better
6 manage payment requirements.

7 **23. Q: Does this conclude your pre-filed direct testimony?**

8 **A:** Yes, it does.

Delmarva Power Light Company

2016 - 2017 GCR Period Gas Sales Budget

Firm Bundled Sales							
	RES	RSH	GL	GG	MVG	LVG	Total
Aug-16	7,930	112,064	17	101,167	3,812	-	224,990
Sep-16	8,459	131,609	17	119,156	4,469	-	263,710
Oct-16	10,850	207,304	17	152,681	5,077	-	375,929
Total	27,239	450,977	50	373,004	13,358	-	864,628
Nov-16	22,421	521,254	17	266,736	13,029	5,007	828,464
Dec-16	38,805	1,103,081	17	561,666	25,660	11,090	1,740,319
Jan-17	52,519	1,500,592	17	657,997	34,375	15,246	2,260,746
Feb-17	51,512	1,413,255	17	645,553	30,506	12,897	2,153,740
Mar-17	47,348	1,369,082	17	637,619	29,023	9,546	2,092,635
Apr-17	32,119	769,740	17	367,834	21,014	-	1,190,724
May-17	19,284	348,415	17	188,120	9,656	-	565,492
Jun-17	11,984	183,037	17	140,128	6,532	-	341,698
Jul-17	11,723	124,735	17	115,480	4,424	-	256,379
Aug-17	10,688	116,383	17	101,493	3,789	-	232,370
Sep-17	10,374	132,539	17	119,663	4,502	-	267,095
Oct-17	12,605	257,085	17	174,388	5,832	807	450,734
Total	321,382	7,839,198	204	3,976,677	188,342	54,593	12,380,396
Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:							
Total	279,241	8,143,312	204	4,211,775	203,092	-	12,837,624
Change	42,141	(304,114)	-	(235,098)	(14,750)	54,593	(457,228)
%Change	13.1%	-3.9%	0.0%	-5.9%	-7.8%	100.0%	-3.7%

Delmarva Power Light Company

2016 - 2017 GCR Period Gas Sales Budget

all in mcf	Firm Transportation			Firm Throughput
	GVFT	MVFT	LVFT	Total
Aug-16	25,658	67,834	290,368	383,860
Sep-16	27,283	73,301	276,789	377,373
Oct-16	50,422	87,109	290,761	428,292
Total	103,363	228,244	857,918	1,189,525
Nov-16	65,231	107,628	313,590	486,449
Dec-16	78,833	124,828	378,846	582,507
Jan-17	131,102	169,982	489,907	790,991
Feb-17	103,050	138,998	437,492	679,540
Mar-17	82,290	125,817	457,821	665,928
Apr-17	57,480	104,914	356,902	519,296
May-17	35,624	86,314	297,295	419,233
Jun-17	22,755	68,104	213,656	304,515
Jul-17	20,990	66,416	217,056	304,462
Aug-17	23,140	73,481	249,019	345,640
Sep-17	25,534	70,508	246,667	342,709
Oct-17	51,465	99,970	279,586	431,021
Total	697,494	1,236,960	3,937,837	5,872,291
				18,252,687

Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:

Total	794,303	1,326,161	4,177,613	6,298,077	19,135,701
Change	(96,809)	(89,201)	(239,776)	(425,786)	(883,014)
%Change	-13.9%	-7.2%	-6.1%	-7.3%	-4.8%

Delmarva Power Light Company

2016 - 2017 GCR Period Gas Sales Budget

all in mcf	Interruptible Transportation				Total IT+ FPS	Total Transportation	Total Delivery Sales
	MVIT	LVIT	Total IT	FPS			
Aug-16	22,156	20,889	43,045	-	43,045	426,905	651,895
Sep-16	21,172	9,464	30,636	-	30,636	408,009	671,719
Oct-16	27,255	15,411	42,666	-	42,666	470,958	846,887
Total	70,583	45,764	116,347	-	116,347	1,305,872	2,170,500
Nov-16	25,667	28,658	54,325	-	54,325	540,774	1,369,238
Dec-16	23,838	26,068	49,906	-	49,906	632,413	2,372,732
Jan-17	16,907	49,485	66,392	-	66,392	857,383	3,118,129
Feb-17	12,804	36,057	48,861	-	48,861	728,401	2,882,141
Mar-17	19,350	32,534	51,884	-	51,884	717,812	2,810,447
Apr-17	20,523	23,393	43,916	-	43,916	563,212	1,753,936
May-17	21,532	19,362	40,894	-	40,894	460,127	1,025,619
Jun-17	18,361	18,611	36,972	-	36,972	341,487	683,185
Jul-17	17,704	13,378	31,082	-	31,082	335,544	591,923
Aug-17	19,470	21,051	40,521	-	40,521	386,161	618,531
Sep-17	21,921	11,855	33,776	-	33,776	376,485	643,580
Oct-17	28,548	26,157	54,705	-	54,705	485,726	936,460
Total	246,625	306,609	553,234	-	553,234	6,425,525	18,805,921

Comparison to August 2015 GCR & ESR forecast for 15-16 GCR period:

Total	224,001	280,252	504,253	-	504,253	6,802,330	19,639,954
Change	22,624	26,357	48,981	-	48,981	(376,805)	(834,033)
%Change	9.2%	8.6%	8.9%	-	8.9%	-5.9%	-4.4%

Lost and Unaccounted for Gas Calculation

Firm Bundled and Transportation Customers

Month	Total At Gate Stations	Available System		Firm Billed Sales	FT	TT & FPS	LVG QFCP RC	Co. Use	LAUF Total	LAUF %
		Electric	Gas							
Jan	70	68	2	100	0	0	0	0	0	0
Feb	70	69	1	100	0	0	0	0	0	0
Mar	70	69	1	100	0	0	0	0	0	0
Apr	70	69	1	100	0	0	0	0	0	0
May	70	69	1	100	0	0	0	0	0	0
Jun	70	69	1	100	0	0	0	0	0	0
Jul	70	69	1	100	0	0	0	0	0	0
Aug	70	69	1	100	0	0	0	0	0	0
Sep	70	69	1	100	0	0	0	0	0	0
Oct	70	69	1	100	0	0	0	0	0	0
Nov	70	69	1	100	0	0	0	0	0	0
Dec	70	69	1	100	0	0	0	0	0	0
Total	840	828	12	1000	0	0	0	0	0	0

100

Commercial/Industrial Customer Mix 2016

RWB-3

	Rate Class	# of Customers	MDQ
SALES SERVICE	MVG	14	3,316
	LVG	<u>1</u>	<u>842</u>
		15	4,158
TRANSPORTATION SERVICE	GVFT	91	8,760
	MVFT	43	10,319
	LVFT	<u>14</u>	<u>31,459</u>
		148	50,538

History Customer Switching to Transportation Service

RWB-4

Year	# Switched to LVFT	Capacity to GCR Customers (MDQ)	# to MVFT	Capacity to GCR Customers (MDQ)	# to GVFT	Capacity to GCR Customers (MDQ)	Total All Classes	Total Capacity to GCR Customers (MDQ)
2007	4	3,953	3	992	1	58	8	5,003
2008	0	-	7	1,307	11	1,191	18	2,498
2009	1	850	5	913	11	1,387	17	3,150
2010	1	1,120	6	937	15	1,183	22	3,240
2011	1	2,153	2	196	13	913	16	3,262
2012	1	523	2	337	21	1,554	24	2,414
2013	0	-	3	270	6	370	9	640
2014	0	0	1	140	1	225	2	365
2015	0	0	0	0	6	436	6	436
2016	0	0	0	0	0	0	0	0
Total	8	8,599	29	5,092	85	7,317	122	21,008